			STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING										RM 3	
		AF	PLICATION FO	OR PERM	IT TO DRILL					1. WELL NAME and NU	JMBER NBU 921	-21E1CS		
2. TYPE O	F WORK	DRILL NEW WELL	REENTER	P&A WELL	DEEPEN	WELL ()			3. FIELD OR WILDCAT NATURAL BUTTES				
4. TYPE O	F WELL	Gá	as Well Co	oalbed Meth	nane Well: NO					5. UNIT or COMMUNITIZATION AGREEMENT NAME NATURAL BUTTES				
6. NAME (OF OPERATOR		KERR-MCGEE OIL							7. OPERATOR PHONE				
8. ADDRE	SS OF OPERAT		P.O. Box 173779							9. OPERATOR E-MAIL	_	anadarko	.com	
	AL LEASE NUM ., INDIAN, OR S	TATE)			NERAL OWNERS	SHIP DIAN (STATE () FEE	1	12. SURFACE OWNERS	SHIP DIAN 📵	STATE	— — — — — — — — — — — — — — — — — — —	EE (
13. NAME OF SURFACE OWNER (if box 12 = 'fee')										14. SURFACE OWNER PHONE (if box 12 = 'fee')				
15. ADDR	15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')									16. SURFACE OWNER	R E-MAIL	(if box 12	! = 'fee')	
17. INDIAI	N ALLOTTEE O	R TRIBE NAME			TEND TO COMM		RODUCTION	FROM		19. SLANT				
(if box 12	= 'INDIAN')	Ute Tribe		1 '	IPLE FORMATION		ng Applicatio	n) NO)	VERTICAL DIF	RECTION	AL 📵 H	HORIZON	TAL 🔵
20. LOC	TION OF WELL	-		FOOTAGE	ES	QTR	R-QTR	SECTIO)N	TOWNSHIP	R/	ANGE	МЕ	ERIDIAN
LOCATIO	N AT SURFACE		177	7 FSL 837	7 FWL	NV	vsw	21		9.0 S	2	I.0 E		S
Top of U	Top of Uppermost Producing Zone 1902			2 FNL 826	6 FWL	SW	VNW	21		9.0 S	2	1.0 E		S
At Total Depth 1902				2 FNL 826	6 FWL	SW	VNW	21				1.0 E		S
21. COUNTY UINTAH 22. DISTANCE TO NEAREST LEASE LINE (Feet) 826								23. NUMBER OF ACRE	ES IN DRI 14		IT			
					STANCE TO NEA led For Drilling		eted)	POOL		26. PROPOSED DEPTH MD:		TVD: 112	:83	
27. ELEV	ATION - GROUN	ID LEVEL 4848		28. BO	OND NUMBER	WYB00	0291			29. SOURCE OF DRILI WATER RIGHTS APPR		MBER IF A	PPLICAB	LE
					Hole, Casing	, and Ce	ement Infor	mation						
String	Hole Size	Casing Size	Length	Weight	Grade & T		Max Mu			Cement Sacks Yield Weigl Type V 180 1.15 15.8				Weight
Surf	11	8.625	0 - 2880	28.0	J-55 LT	aC .	0.2			Class G		270	1.15	15.8
Prod	7.875	4.5	0 - 11600	11.6	HCP-110	LT&C	12.	5	Prei	mium Lite High Stre	ngth	350	3.38	12.0
										50/50 Poz		1680	1.31	14.3
					А	TTACHN	MENTS							
	VEF	RIFY THE FOLLO	WING ARE AT	TACHED I	N ACCORDAN	ICE WITH	H THE UTA	H OIL AND	GAS	CONSERVATION G	ENERA	L RULES		
w w	ELL PLAT OR M	AP PREPARED BY	LICENSED SURVE	YOR OR E	NGINEER		⊯ COMP	LETE DRILL	ING PI	LAN				
AF	FIDAVIT OF STA	ATUS OF SURFACE	OWNER AGREEM	IENT (IF FE	EE SURFACE)		FORM	5. IF OPERA	ATOR IS	S OTHER THAN THE LE	EASE OW	NER		
I ✓ DII	RECTIONAL SU	RVEY PLAN (IF DIR	ECTIONALLY OR	HORIZON	TALLY DRILLED)	торос	GRAPHICAL	MAP					
NAME Da	anielle Piernot			TITLE R	egulatory Analys	t		PHON	E 720	929-6156				
SIGNATU	RE			DATE 02	2/27/2013			EMAIL	_ danie	elle.piernot@anadarko.d	com			
	BER ASSIGNED 047536510			APPROV	/AL			7	Bol	204/11				
Po								Perm	it Manager					

Kerr-McGee Oil & Gas Onshore. L.P.

NBU 921-21E1CS

Surface: 1777 FSL / 837 FWL NWSW BHL: 1902 FNL / 826 FWL SWNW

Section 21 T9S R21E

Unitah County, Utah Mineral Lease: UTU 0576

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. & 2.a <u>Estimated Tops of Important Geologic Markers:</u> <u>Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:</u>

<u>Formation</u>	<u>Depth</u>	Resource
Uinta	0 - Surface	
Green River	1,614'	
Birds Nest	1,952'	Water
Mahogany	2,432'	Water
Wasatch	4,992'	Gas
Mesaverde	7,936'	Gas
Sego	10,198'	Gas
Castlegate	10,291'	Gas
Blackhawk	10,683'	Gas
TVD =	11,283'	
TD =	11,600'	

2.c Kerr McGee Oil & Gas Onshore LP (Kerr McGee) may elect to drill to (i) the Blackhawk formation (part of the Mesaverde Group), (ii) to a shallower depth within the Mesaverde Group, or (iii) to the Wasatch Formation. If Kerr McGee drills to the Blackhawk formation, please refer to Blackhawk as the bottom formation. The attached Blackhawk Drilling Program includes Total Vertical Depth, Total Depth, and appropriate casing and cement programs for the deeper formation.

If Kerr-McGee drills to a shallower depth in the Mesaverde Group or to the Wasatch Formation, please refer to the attached Wasatch/Mesaverde Drilling Program which includes Total Vertical Depth, Total Depth, and appropriate casing and cement programs for the shallower formations.

3. <u>Pressure Control Equipment</u> (Schematic Attached)

Please refer to the attached Blackhawk Drilling Program and the Wasatch/Mesaverde Drilling Program

4. Proposed Casing & Cementing Program:

Please refer to the attached Blackhawk Drilling Program and the Wasatch/Mesaverde Drilling Program

5. <u>Drilling Fluids Program</u>:

Please refer to the attached Blackhawk Drilling Program and the Wasatch/Mesaverde Drilling Program

6. Evaluation Program:

Please refer to the attached Blackhawk Drilling Program and the Wasatch/Mesaverde Drilling Program

7. Abnormal Conditions:

7.a Blackhawk (Part of Mesaverde Group)

Maximum anticipated bottom hole pressure calculated at 11283' TVD, approximately equals 7,221 psi (0.64 psi/ft = actual bottomhole gradient)

Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD

Maximum anticipated surface pressure equals approximately 4,723 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot, per Onshore Order No. 2).

Per Onshore Order No. 2 - Max Anticipated Surf. Press.(MASP) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point))

7.b Wasach Formation/Mesaverde Group

Maximum anticipated bottom hole pressure calculated at $10198' \, \text{TVD}$, approximately equals $6,221 \, \text{psi}$ (0.61 psi/ft = actual bottomhole gradient)

Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD

Maximum anticipated surface pressure equals approximately 4,004 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot, per Onshore Order No. 2).

Per Onshore Order No. 2 - Max Anticipated Surf. Press.(MASP) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point))

8. Anticipated Starting Dates:

Drilling is planned to commence immediately upon approval of this application.

9. Variances:

Please refer to the attached Blackhawk Drilling Program and the Wasatch/Mesaverde Drilling Program Onshore Order #2 – Air Drilling Variance

Kerr-McGee Oil & Gas Onshore LP (KMG) respectfully requests a variance to several requirements associated with air drilling outlined in Onshore Order 2

- · Blowout Prevention Equipment (BOPE) requirements;
- · Mud program requirements; and
- Special drilling operation (surface equipment placement) requirements associated with air drilling.

This Standard Operating Practices addendum provides supporting information as to why KMG current air drilling practices for constructing the surface casing hole should be granted a variance to Onshore Order 2 air drilling requirements.

The reader should note that the air rig is used only to construct a stable surface casing hole through a historically difficult lost circulation zone. A conventional rotary rig follows the air rig, and is used to drill and construct the majority of the wellbore.

More notable, KMG has used the air rig layout and procedures outlined below to drill the surface casing hole in approximately 675 wells without incident of blow out or loss of life.

Background

In a typical well, KMG utilizes an air rig for drilling the surface casing hole, an interval from the surface to surface casing depths, which varies in depth from 1,700 to 2,800 feet. The air rig drilling operation does not drill through productive or over pressured formations in KMG field, but does penetrate the Uinta and Green River Formations. The purpose of the air drilling operation is to overcome the severe loss circulation zone in the Green River known as the Bird's Nest while creating a stable hole for the surface casing. The surface casing hole is generally drilled to approximately 500 feet below the Bird's Nest

Before the surface air rig is mobilized, a rathole rig is utilized to set and cement conductor pipe through a competent surface formation. Generally, the conductor is set at 40 feet. In some cases, conductor may

be set deeper in areas that the surface formation is not found competent. This rig also drills the rat and mouse holes in preparation for the surface casing and production string drilling operations.

The air rig is then mobilized to drill the surface casing hole by drilling a 12 1/4 inch hole for the first 200 feet, then will drill a 11 inch hole to just above the Bird's Nest interval with an air hammer. The hammer is then tripped and replaced with a 11 inch tri-cone bit. The tri-cone bit is used to drill to the surface casing point, approximately 500 feet below the loss circulation zone (Bird's Nest). The 8-5/8 inch surface casing is then run and cemented in place, thereby isolating the lost circulation zone.

KMG fully appreciates Onshore Order 2 well control and safety requirements associated with a typical air drilling operations. However, the requirements of Onshore Order 2 are excessive with respect to the air rig layout and drilling operation procedures that are currently in practice to drill and control the surface casing hole in KMG Fields.

Variance for BOPE Requirements

The air rig operation utilizes a properly lubricated and maintained air bowl diverter system which diverts the drilling returns to a six-inch blooie line. The air bowl is the only piece of BOPE equipment which is installed during drilling operations and is sufficient to contain the air returns associated with this drilling operation. As was discussed earlier, the drilling of the surface hole does not encounter any over pressured or productive zones, and as a result standard BOPE equipment should not be required. In addition, standard drilling practices do not support the use of BOPE on 40 feet of conductor pipe.

Variance for Mud Material Requirements

Onshore Order 2 also states that sufficient quantities of mud materials shall be maintained or readily accessible for the purpose of assuring adequate well control. Once again, the surface hole drilling operations does not encounter over pressured or productive intervals, and as a result there is not a need to control pressure in the surface hole with a mud system. Instead of mud, the air rigs utilize water from the reserve pit for well control, if necessary. A skid pump which is located near the reserve pit (see attachment) will supply the water to the well bore.

Variance for Special Drilling Operation (surface equipment placement) Requirements

Onshore Order 2 requires specific safety distances or setbacks for the placement of associated standard air drilling equipment, wellbore, and reserve pits. The air rigs used to drill the surface holes are not typical of an air rig used to drill a producing hole in other parts of the US. These are smaller in nature and designed to fit a KMG location. The typical air rig layout for drilling surface hole in the field is attached.

Typically the blooic line discharge point is required to be 100 feet from the well bore. In the case of a KMG well, the reserve pit is only 45 feet from the rig and is used for the drill cuttings. The blooic line, which transports the drill cuttings from the well to the reserve pit, subsequently discharges only 45 feet from the well bore.

Typically the air rig compressors are required to be located in the opposite direction from the blooie line and a minimum of 100 feet from the well bore. At the KMG locations, the air rig compressors are approximately 40 feet from the well bore and approximately 60 feet from the blooie line discharge due to the unique air rig design. The air compressors (see attachment) are located on the rig (1250 cfm) and on a standby trailer (1170 cfm). A booster sits between the two compressors and boosts the output from 350 psi to 2000 psi. The design does put the booster and standby compressor opposite from the blooie line.

Lastly, Onshore Order 2 addresses the need for an automatic igniter or continuous pilot light on the blooie line. The air rig does not utilize an igniter as the surface hole drilling operation does not encounter productive formations.

Variance for FIT Requirements

KMG also respectfully requests a variance to Onshore Order 2, Section III, Part Bi, for the pressure integrity test (PIT, also known as a formation integrity test (FIT)). This well is not an exploratory well and is being drilled in an area where the formation integrity is well known. Additionally, when an FIT is run with the mud weight as required, the casing shoe frequently breaks down and causes subsequent lost circulation when drilling the entire depth of the well.

Conclusion

The air rig operating procedures and the attached air rig layout have effectively maintained well control while drilling the surface holes in KMG Fields. KMG respectfully requests a variance from Onshore Order 2 with respect to air drilling well control requirements as discussed above.

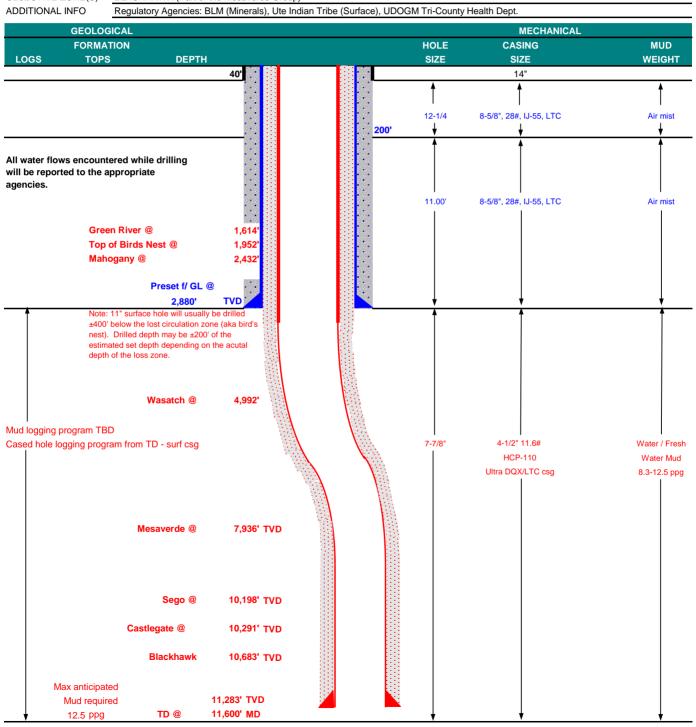
10. Other Information:

Please refer to the attached Blackhawk Drilling Program and the Wasatch/Mesaverde Drilling Program



KERR-McGEE OIL & GAS ONSHORE LP Blackhawk Drilling Program

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE July 11, 2012 **NBU 921-21E1CS** WELL NAME TD TVD 11,600' MD 11,283' **FIELD** Natural Buttes COUNTY Uintah STATE Utah FINISHED ELEVATION 4,848' SURFACE LOCATION NWSW 1777 FSL 837 FWL Sec 21 T 9S R 21E Latitude: 40.019184 -109.563171 NAD 83 Longitude: BTM HOLE LOCATION SWNW 1902 FNL 826 FWL R 21E Sec 21 T 9S Latitude: 40.023613 Longitude: -109.563215 NAD 83 BLACKHAWK (Part of the Mesaverde Group) OBJECTIVE ZONE(S) Regulatory Agencies: BLM (Minerals), Ute Indian Tribe (Surface), UDOGM Tri-County Health Dept. ADDITIONAL INFO





KERR-McGEE OIL & GAS ONSHORE LP Blackhawk Drilling Program

CASING PROGRAI	<u>VI</u>	DESIGN FACTORS									
				LTC	DQX						
	SIZE	INT	ERVA	L	WT.	GR.	CPLG.	BURST	COLLAPSE	TEN	ISION
CONDUCTOR	14"	(0-40'								
								3,390	1,880	348,000	N/A
SURFACE	8-5/8"	0	to	2,880	28.00	IJ-55	LTC	1.87	1.39	4.93	N/A
								10,690	8,650	279,000	367,174
PRODUCTION	4-1/2"	0	to	5,000	11.60	HCP-110	DQX	1.19	1.18		3.37
	4-1/2"	5,000	to	11,600'	11.60	HCP-110	LTC	1.19	1.18	4.50	

Surface Casing:

(Burst Assumptions: TD = 12.5 ppg) 0.73 psi/ft = frac gradient @ surface shoe

Fracture at surface shoe with 0.1 psi/ft gas gradient above

(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

Production casing:

(Burst Assumptions: Pressure test with 8.4ppg @ 9000 psi) 0.64 psi/ft = bottomhole gradient

(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500'	Premium cmt + 2% CaCl	180	60%	15.80	1.15
Option 1			+ 0.25 pps flocele				
TOP OUT CMT (6 jobs)		1,200'	20 gals sodium silicate + Premium cmt	270	0%	15.80	1.15
			+ 2% CaCl + 0.25 pps flocele				
SURFACE			NOTE: If well will circulate water	r to surface, o	ption 2 will I	be utilized	-
Option 2	LEAD	2,380'	65/35 Poz + 6% Gel + 10 pps gilsonite	220	35%	11.00	3.82
			+ 0.25 pps Flocele + 3% salt BWOW				
	TAIL	500'	Premium cmt + 2% CaCl	150	35%	15.80	1.15
			+ 0.25 pps flocele				
TOP C	OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.80	1.15
PRODUCTION	LEAD	4,490'	Premium Lite II +0.25 pps	350	35%	12.00	3.38
			celloflake + 5 pps gilsonite + 10% gel				
			+ 0.5% extender				
	TAIL	7,110'	50/50 Poz/G + 10% salt + 2% gel	1,680	35%	14.30	1.31
			+ 0.1% R-3				

^{*}Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE Guide shoe, 1 jt, in

Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe

PRODUCTION

Float shoe, 1 jt, float collar. 15 centralizers for a Mesaverde and 20 for a Blackhawk well. 1 centralizer on the first 3 joints and one every third joint thereafter.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. The BOPE will be installed before the production hole is drilled and tested to 5,000 psi (annular to 2,500 psi) prior to drilling out the surface casing shoe. Record on chart recorder and tour sheet. Function test rams on each trip. Maintain safety valve and inside BOP on rig floor at all times. Most rigs have top drives; however, if used, the Kelly is to be equipped with upper and lower kelly valves.

Surveys will be taken at	1,000'	minimum	intervals

Most rigs have PVT System for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:		DATE:	
	Nick Spence / Danny Showers / Travis Hansell		
DRILLING SUPERINTENDENT:		DATE:	

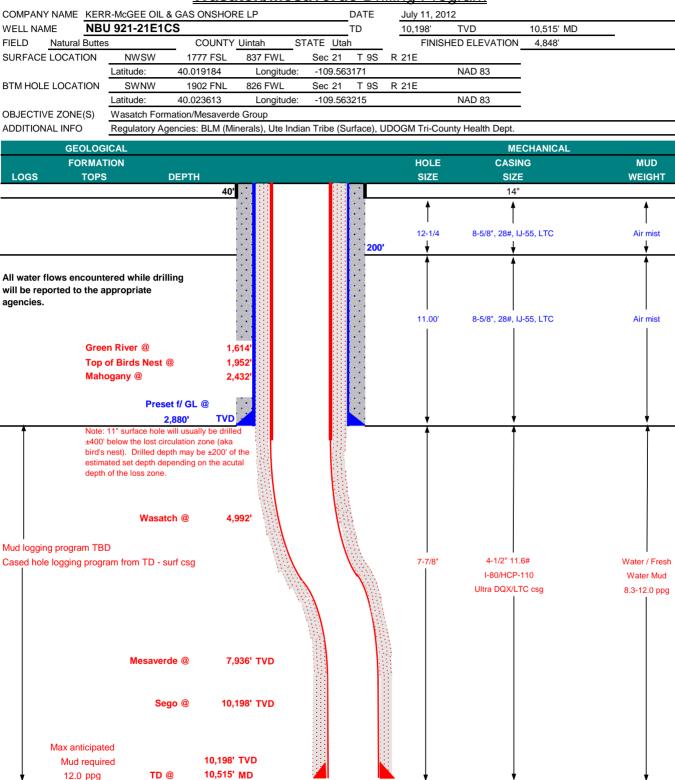
Kenny Gathings / Lovel Your

	DATE:	
hings / Lovel Young		

^{*}Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained



KERR-McGEE OIL & GAS ONSHORE LP Wasatch/Mesaverde Drilling Program





KERR-McGEE OIL & GAS ONSHORE LP Wasatch/Mesaverde Drilling Program

CASING PROGRA	<u>M</u>	DESIGN FACTORS									
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	SIZE	INT	ERVA	L	WT.	GR.	CPLG.	BURST	COLLAPSE	TEN	ISION
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								3,390	1,880	348,000	N/A
SURFACE	8-5/8"	0	to	2,880	28.00	IJ-55	LTC	1.87	1.39	4.93	N/A
								7,780	6,350		267,035
PRODUCTION	4-1/2"	0	to	5,000	11.60	I-80	DQX	1.11	1.00		2.68
								10,690	8,650	223,000	
	4-1/2"	5,000	to	10,515'	11.60	HCP-110	LTC	1.53	1.36	4.27	

Surface Casing:

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		+ 0.25 pps Flocele + 3% salt BWOW					
TAIL	500'	Premium cmt + 2% CaCl	150	35%	15.80		1.15
		+ 0.25 pps flocele					
TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.80		1.15
PRODUCTION LEAD	4,485'	Premium Lite II +0.25 pps	350	35%	12.00		3.38
		celloflake + 5 pps gilsonite + 10% gel					
		+ 0.5% extender					
TAIL	6,030'	50/50 Poz/G + 10% salt + 2% gel	1,420	35%	14.30		1.31
		+ 0.1% R-3					

^{*}Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE

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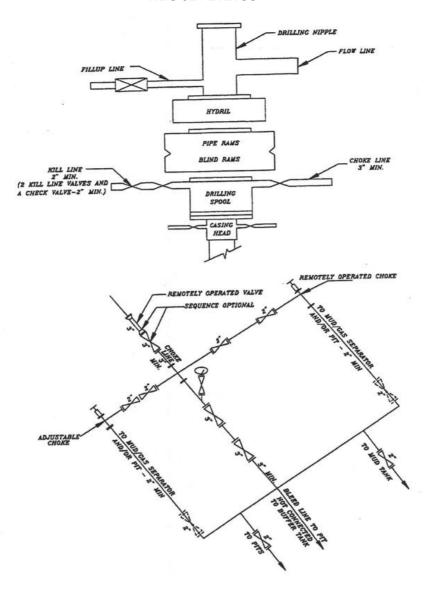
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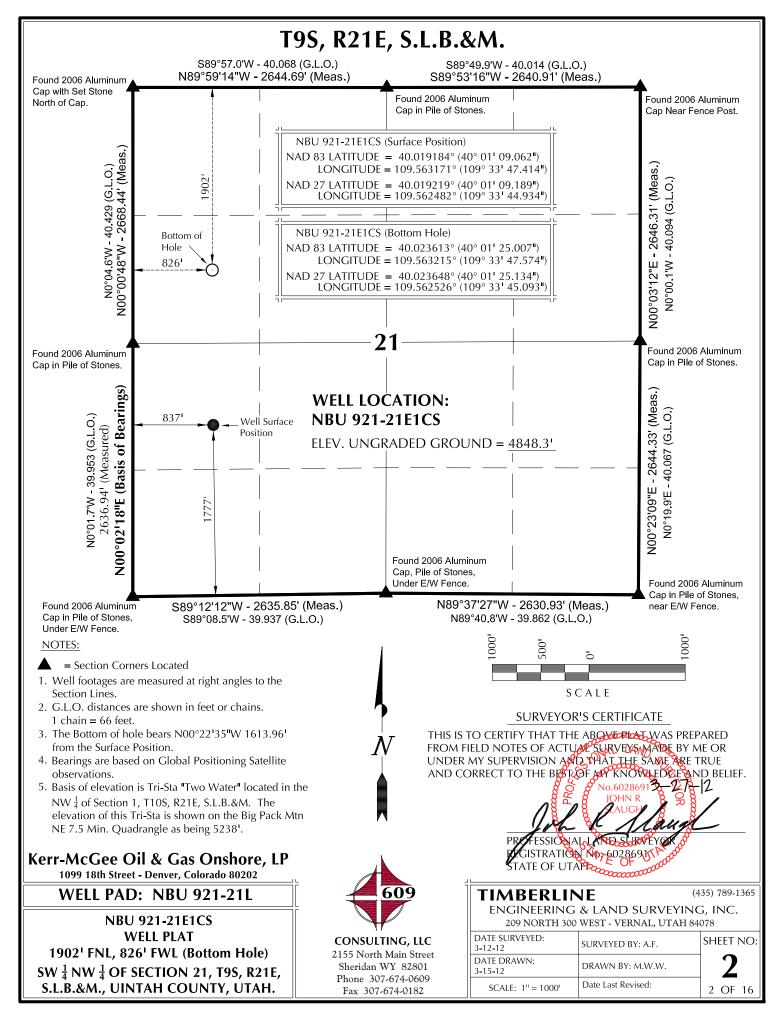
DRILLING ENGINEER:		DATE:	
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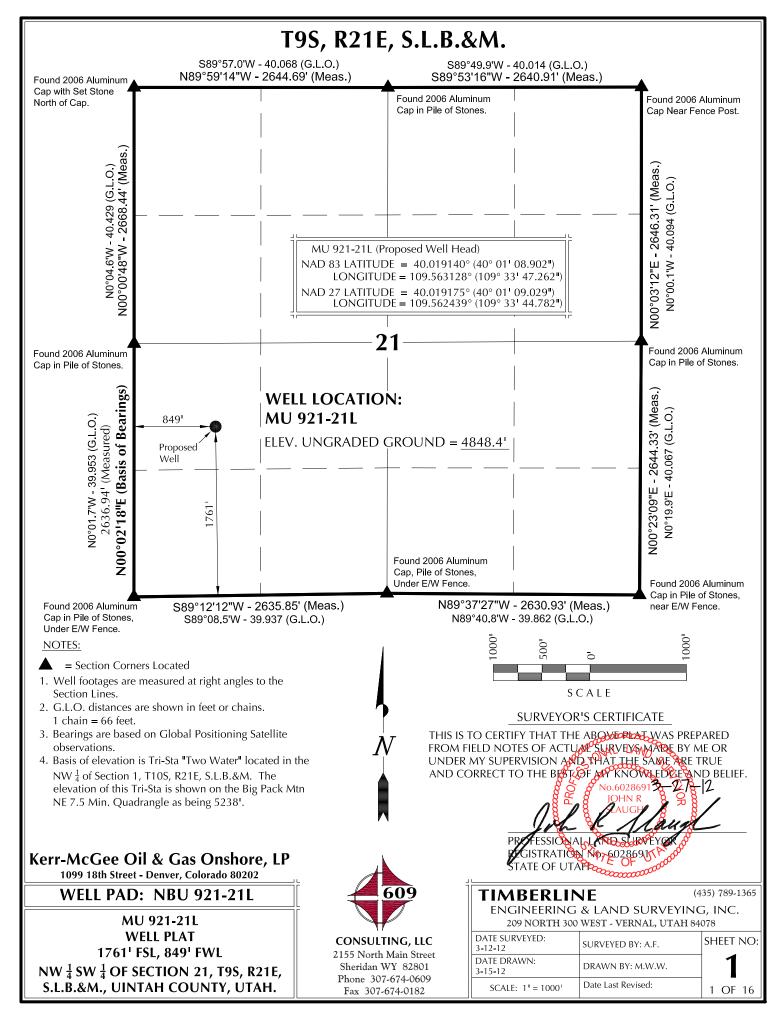
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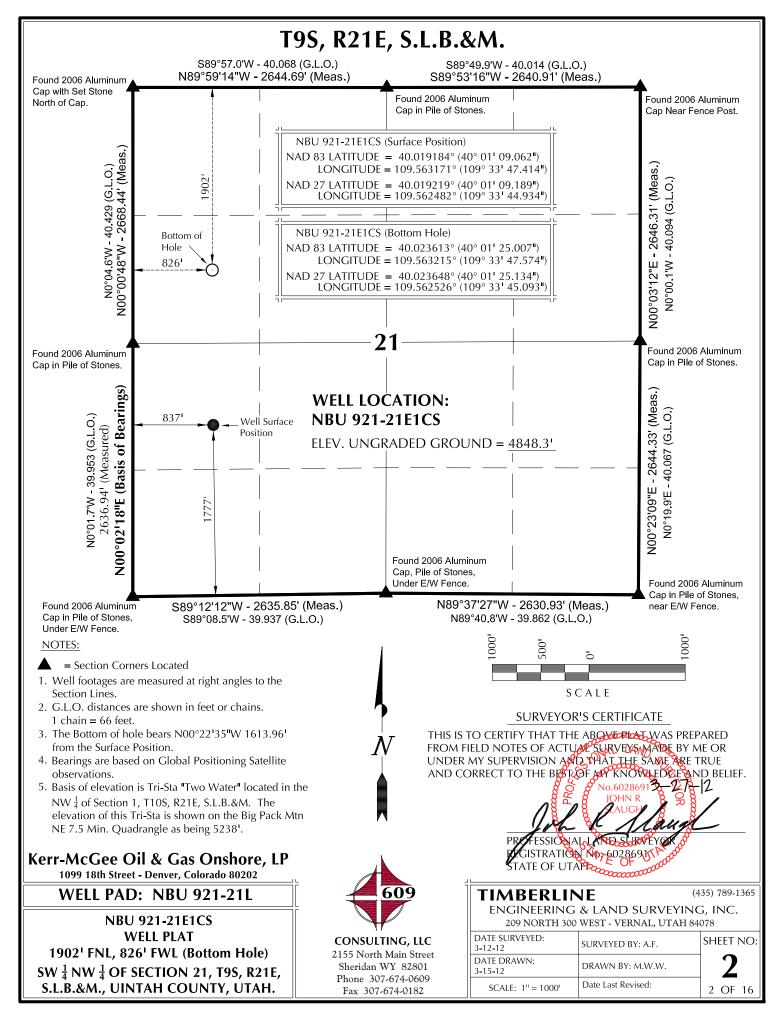
EXHIBIT A
NBU 921-21E1CS

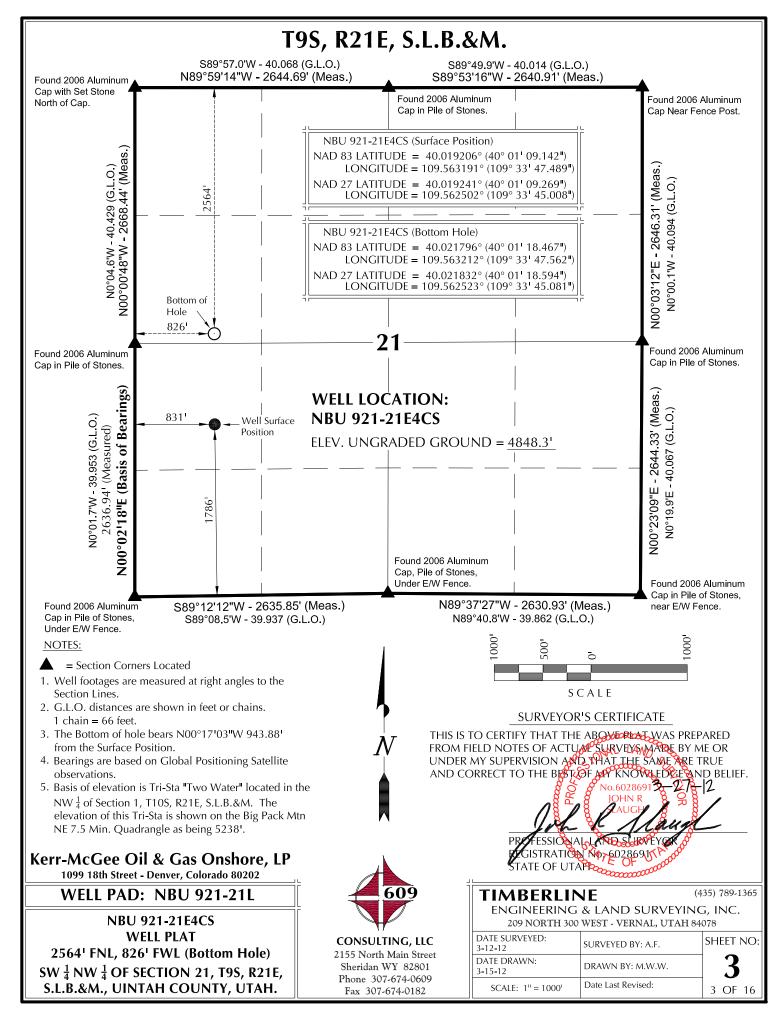


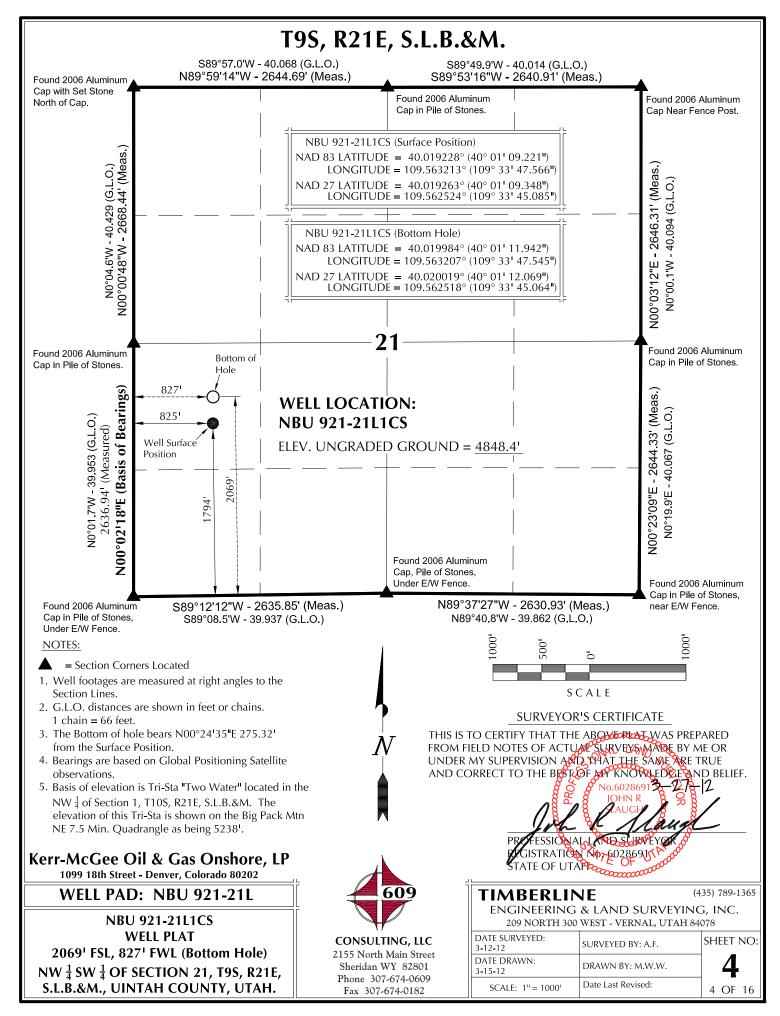
SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK



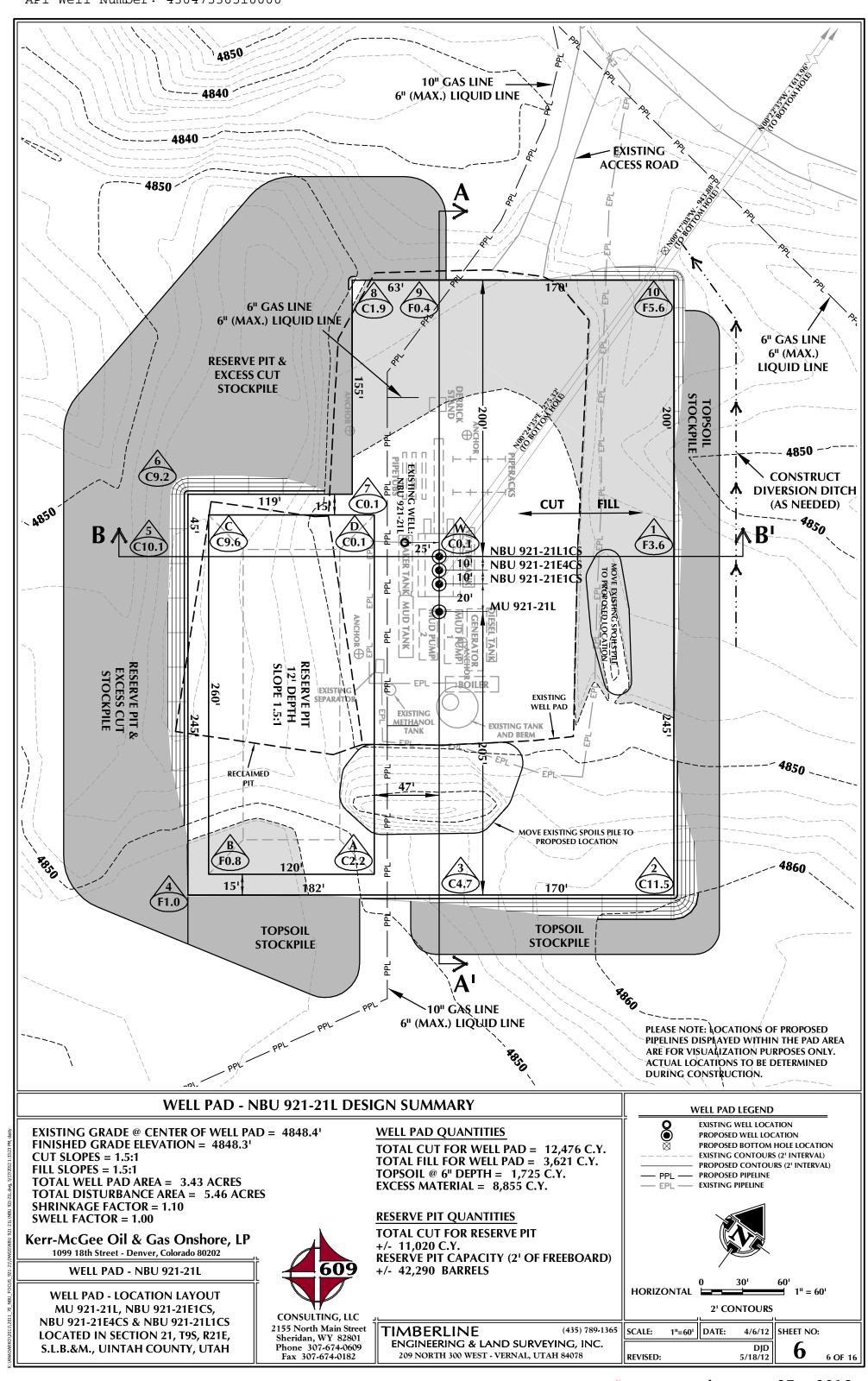


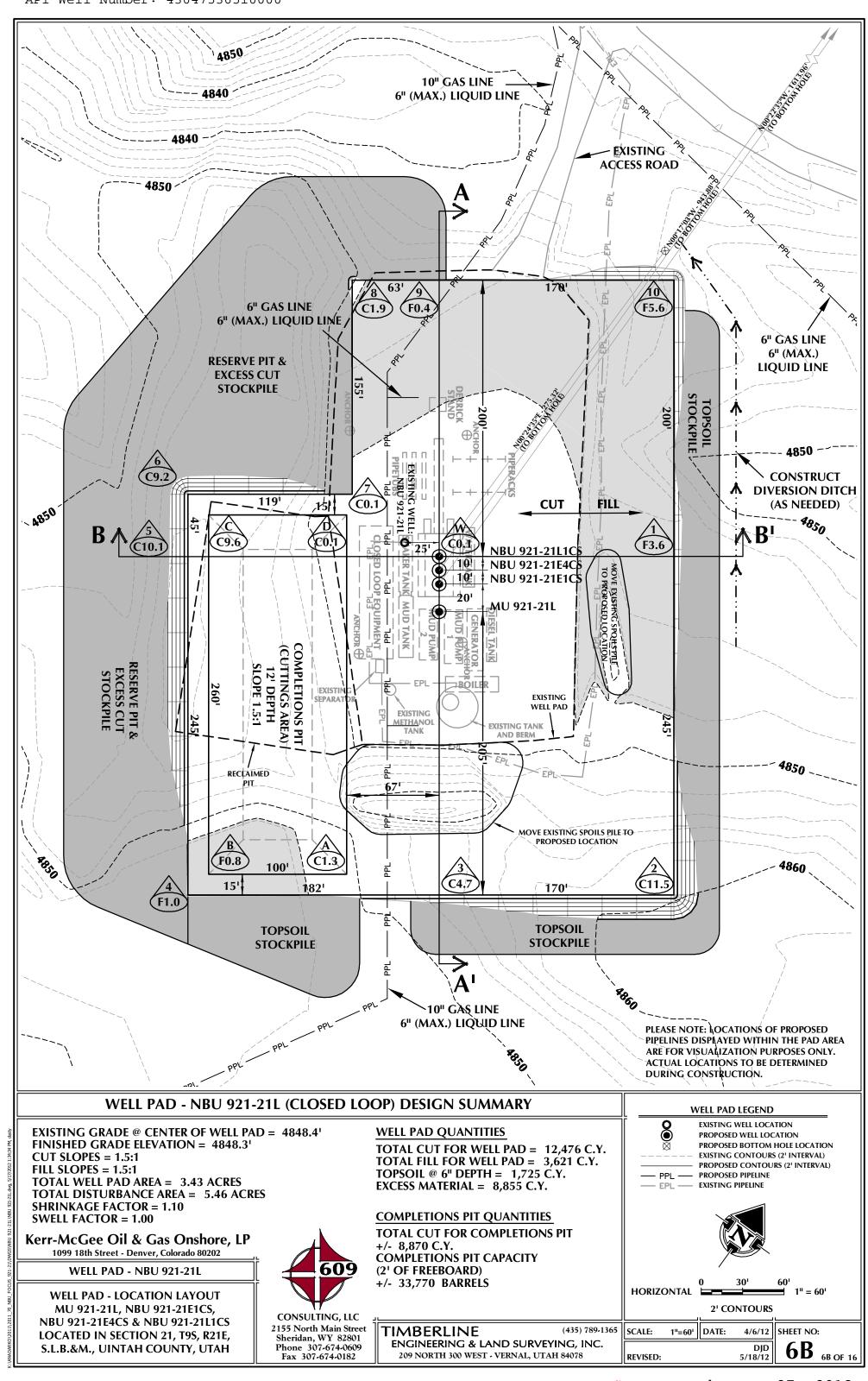


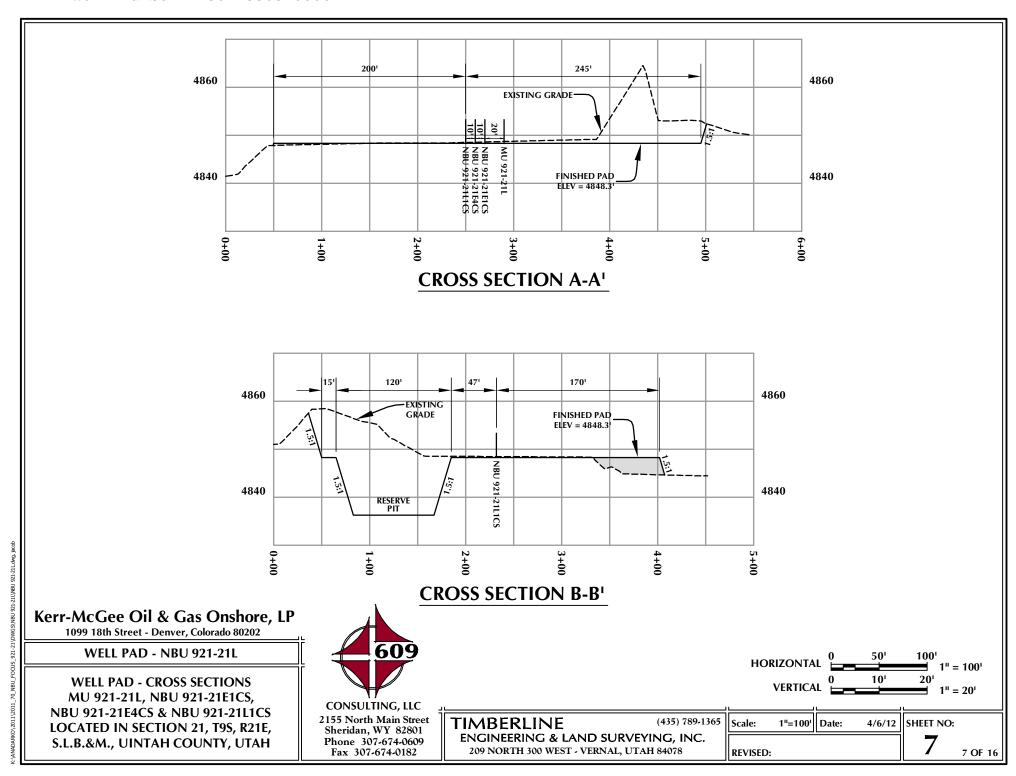




		SU	RFACE POSITIO	N _		BOTTOM HOLE					
WELL NAME	NAL		NAE		FOOTAGES		D83	NAE		FOOTAGES	
MU	LATITUDE 40°01'08.902"	LONGITUDE 109°33'47.262"	LATITUDE 40°01'09.029"	LONGITUDE 109°33'44.782"		LATITUDE	LONGITUDE	LATITUDE	LONGITUDE	FOOTAGES	
921-21L NBU	40.019140° 40°01'09.062"	109.563128°	40.019175° 40°01'09.189"	109.562439°	849' FWL	40°01'25.007	" 109°33'47.574"	40°01125 1241	100022145 0021	10021 FNII	
921-21E1CS	40.019184°	109°33'47.414" 109.563171°	40.019219°	109°33'44.934" 109.562482°	1777' FSL 837' FWL	40.023613°	109.563215°	40°01'25.134" 40.023648°	109°33'45.093' 109.562526°	1902' FNL 826' FWL	
NBU 921-21E4CS	40°01'09.142" 40.019206°	109°33'47.489" 109.563191°	40°01'09.269" 40.019241°	109°33'45.008" 109.562502°	1786' FSL 831' FWL	40°01'18.467 40.021796°	109°33'47.562" 109.563212°	40°01'18.594" 40.021832°	109°33'45.081' 109.562523°	2564' FNL 826' FWL	
NBU	40°01'09.221"	109°33'47.566"	40°01'09.348"	109.302302 109°33'45.085"		40°01'11.942		40°01'12.069"	109.362323 109°33'45.064'	2069¹ FSL	
921-21L1CS NBU	40.019228° 40°01'09.157"	109.563213° 109°33'47.902"	40.019263° 40°01'09.284"	109.562524° 109°33'45.421"	825' FWL 1788' FSL	40.019984°	109.563207°	40.020019°	109.562518°	827' FWL	
921-21L	40.019210°	109.563306°	40.019246°	109.562617°	799' FWL						
WELL NAME	NORTH	EAST WE		COORDINATES ORTH EAS				_			
NBU	1,613.9	-10.6 NBU	J	43.9' -4.7	71 NBU	27	5.3' 2.0'				
921-21E1CS	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	921	-21E4CS		921-21	L1CS					
	EX	CISTING WE	136 03 12 NBU 92		9 NBU 921-21L1CS BU 921-21E4CS 921-21E1CS 921-21L	083° 56.0' (To Bottom Hole) / AZ=359.62361° Z OD 00 12.0 OT 0 12.0	OF THE SW S.L.B.&M. W GLOBAL PC	88'	l 21, T9S, R21 En from Atellite	E,	
30,	N To	109			Az. to Exist. W.H.=256.0241/° 26.9' Az. to Exist. W.H.=272.79528° 32.2' NB Az. to Exist. W.H.=284.25056° 39.1' NBU 9 MU 9	Az. to Exist.					
© © E E E E E E E E E E E E E E E E E E	SCALE Gee Oil & 8th Street - De	α Gas Ons	80202		Az. t						
© © E E E E E E E E E E E E E E E E E E	SCALE Gee Oil & 8th Street - De	α Gas Ons	80202		` +	T	IMBERL				
© © © WEI	S C A L E Gee Oil & 8th Street - De	α Gas Ons	80202 Z		Az. t	T	engineerin		SURVEYING	G, INC.	
Kerr-Mc 1099 1 WELL I	S C A L E Gee Oil & 8th Street - De LL PAD - I PAD INTE	α Gas Ons nver, Colorado NBU 921- RFERENC	21L PLAT		609	T	ENGINEERIN 209 NORTH TE SURVEYED:	IG & LAND 300 West - Ver	SURVEYING RNAL, UTAH 84	*	
Kerr-Mc 1099 1 WELL I WELLS -	SCALE Gee Oil & 8th Street - De LL PAD - I PAD INTE MU 921-21	« Gas Ons nver, Colorado NBU 921-	21L E PLAT -21E1CS,	CONS 2155 No.	609 ULTING, LLCoorth Main Stre	C DA' 3-1; PA'	ENGINEERIN 209 NORTH TE SURVEYED: 2-12	IG & LAND 300 WEST - VER SURVEYED B	SURVEYING RNAL, UTAH 84 BY: A.F.	G, INC. 078	
Kerr-Mc 1099 1 WELL I WELLS - NBU 92 LOCATI	SCALE Gee Oil & 8th Street - De LL PAD - I PAD INTE MU 921-21 11-21E4CS & ED IN SECT	x Gas Ons nver, Colorado NBU 921- RFERENCI L, NBU 921	E PLAT -21E1CS, 21L1CS 5, R21E,	CONS 2155 No Sherid	609	DA' 3-1: DA' 3-1: DA' 3-1:	ENGINEERIN 209 NORTH TE SURVEYED:	IG & LAND 300 West - Ver	SURVEYINC RNAL, UTAH 84 BY: A.F. M.W.W.	G, INC. 078	







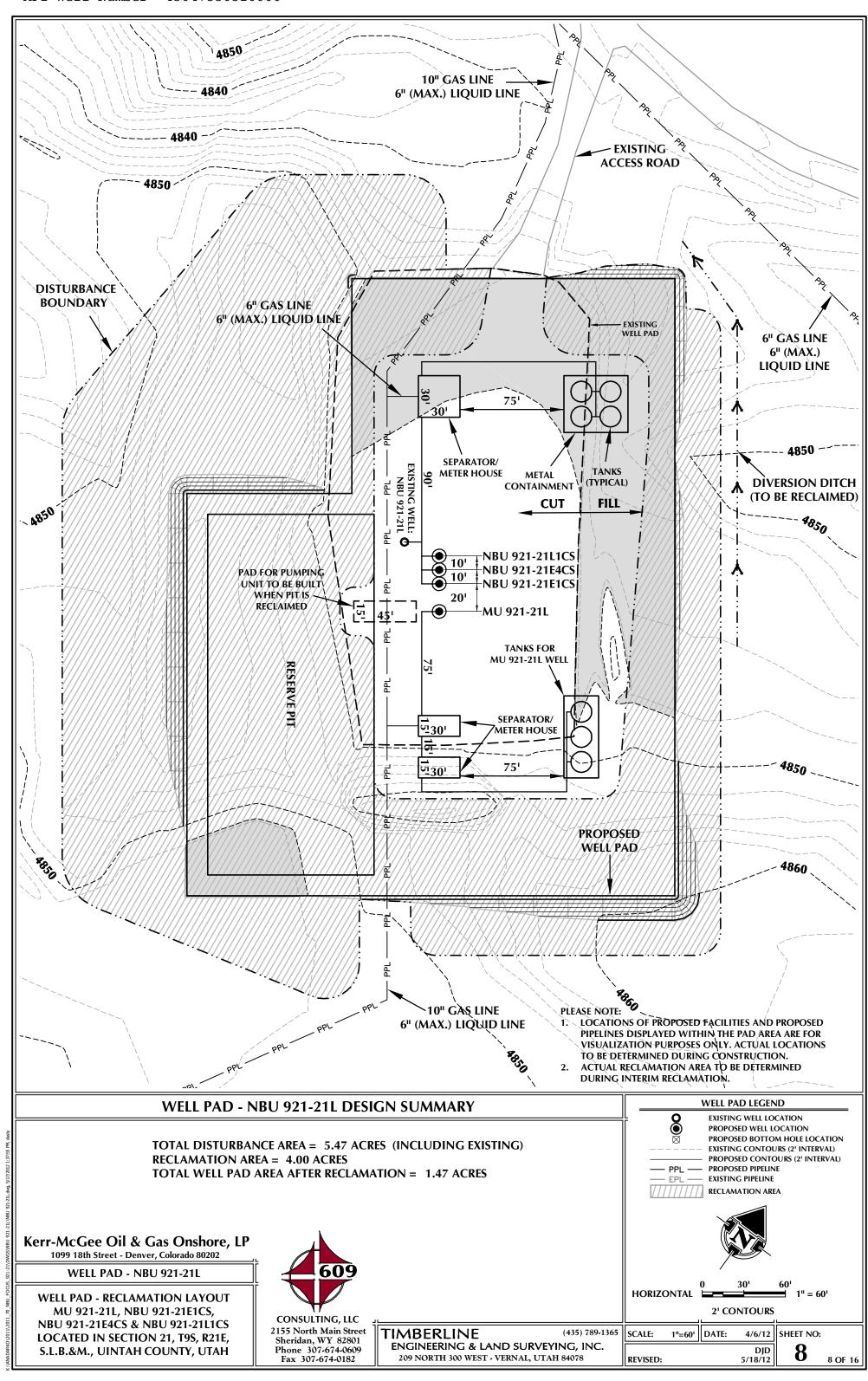




PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO VIEW: FROM EXISTING ACCESS ROAD

CAMERA ANGLE: SOUTHEASTERLY

Kerr-McGee Oil & Gas Onshore, LP 1099 18th Street - Denver, Colorado 80202

WELL PAD - NBU 921-21L

LOCATION PHOTOS MU 921-21L, NBU 921-21E1CS, NBU 921-21E4CS & NBU 921-21L1CS LOCATED IN SECTION 21, T9S, R21E, S.L.B.&M., UINTAH COUNTY, UTAH.



CONSULTING, LLC 2155 North Main Street Sheridan WY 82801 Phone 307-674-0609 Fax 307-674-0182

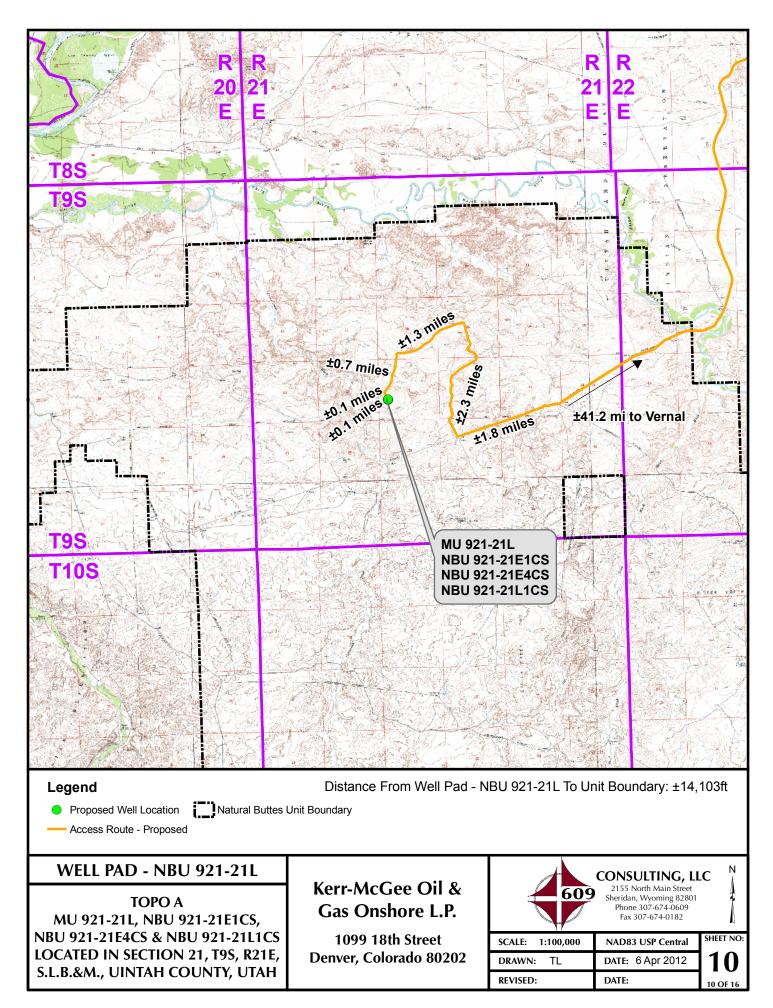
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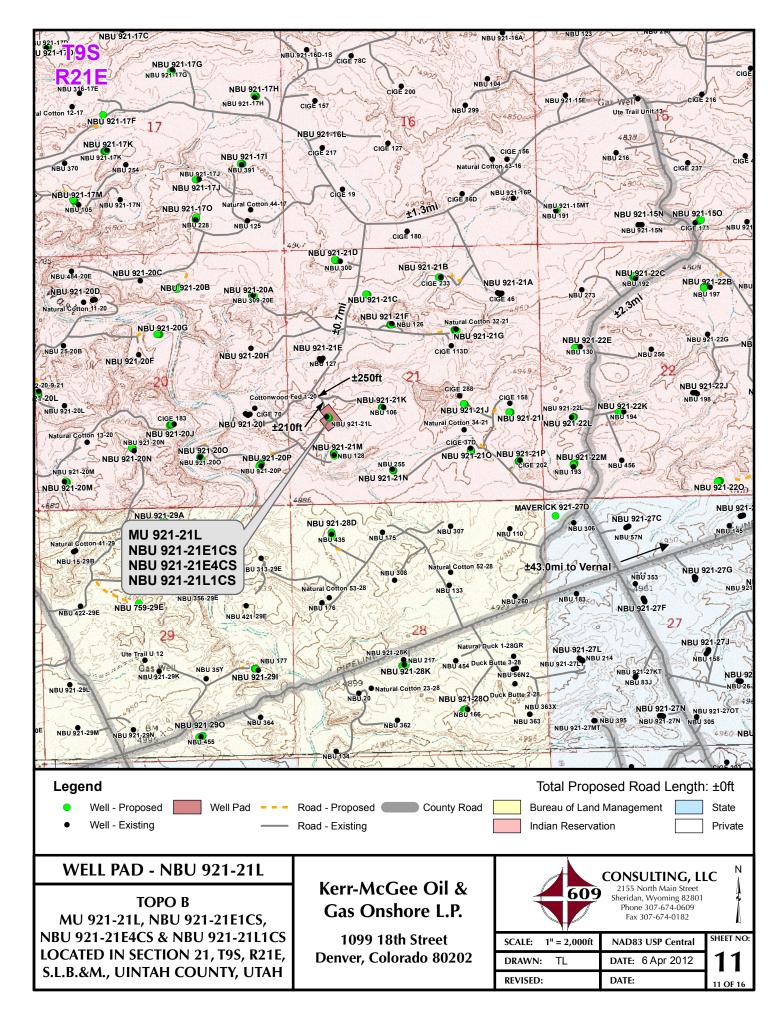
(435) 789-1365

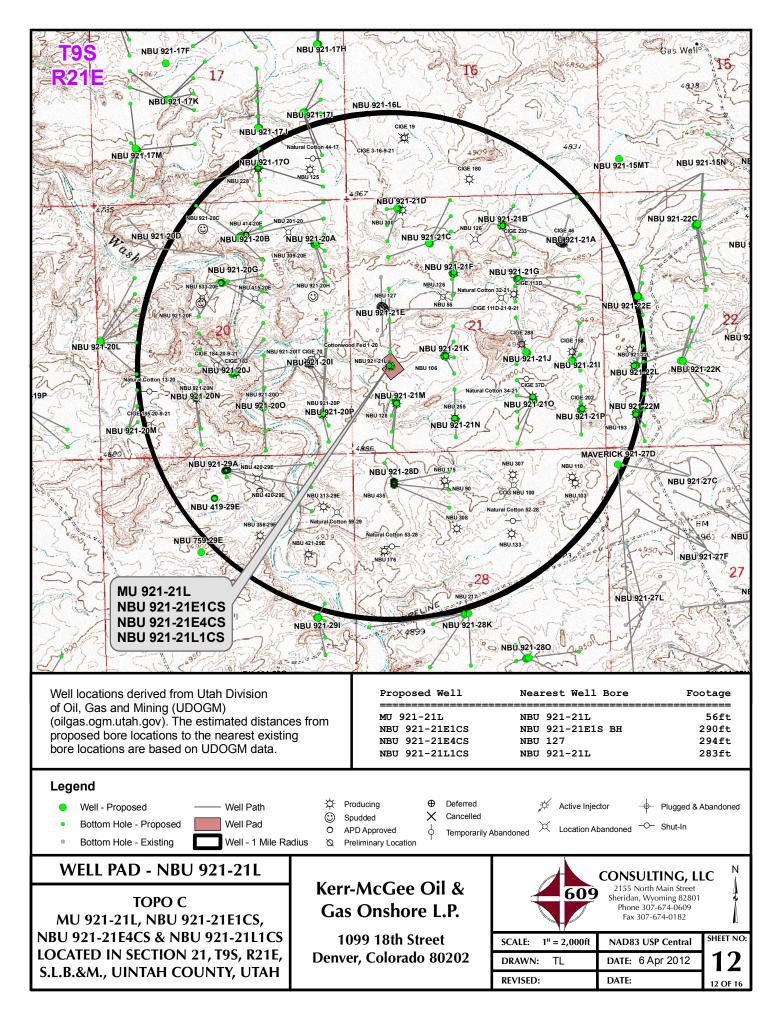
9 OF 16

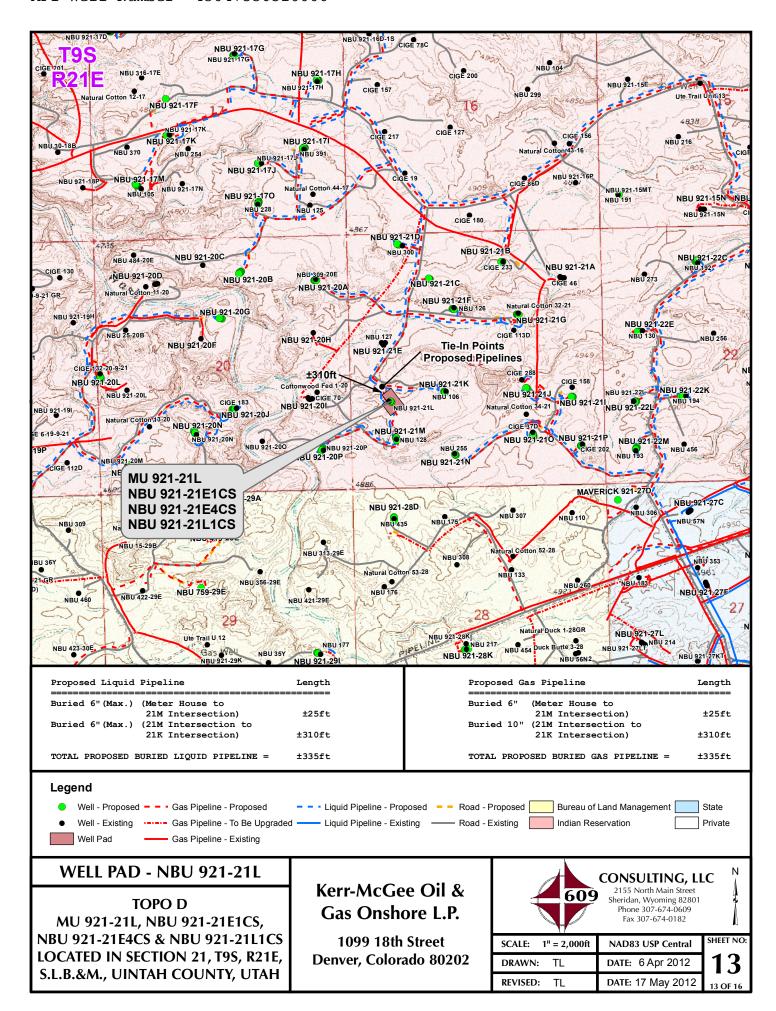
ENGINEERING & LAND SURVEYING, INC. 209 NORTH 300 WEST - VERNAL, UTAH 84078

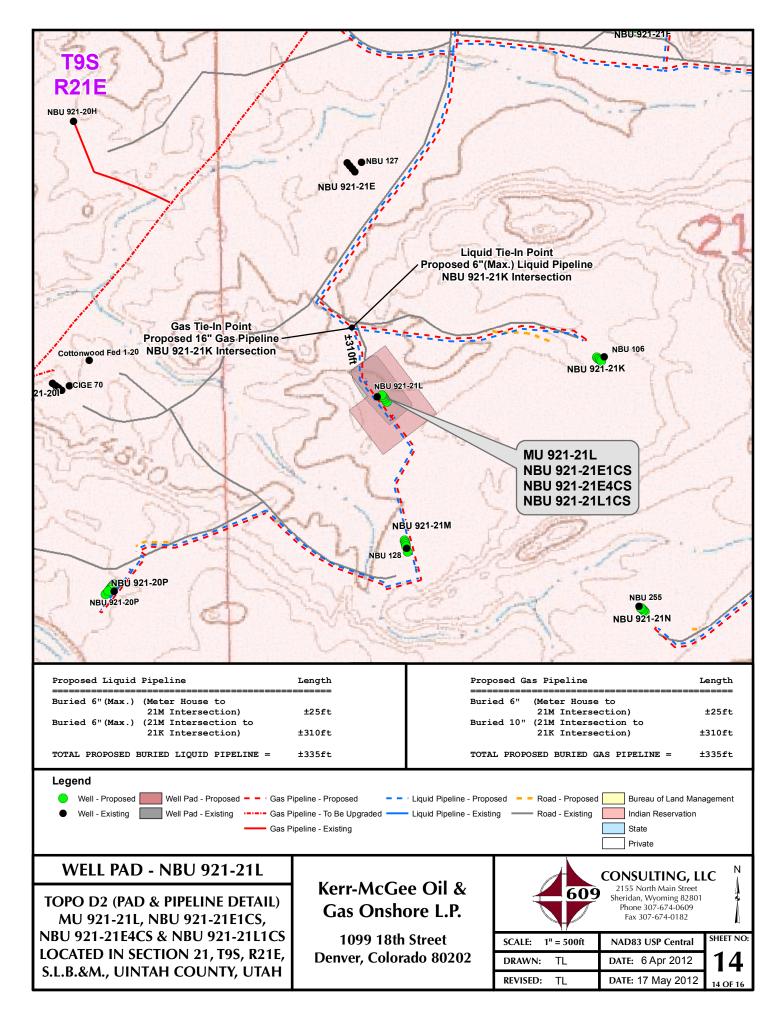
DATE PHOTOS TAKEN: 3-12-12	PHOTOS TAKEN BY: A.F.	SHEET NO:
DATE DRAWN: 3-15-12	DRAWN BY: M.W.W.	9
Date Last Revised:	·	9 OF 16

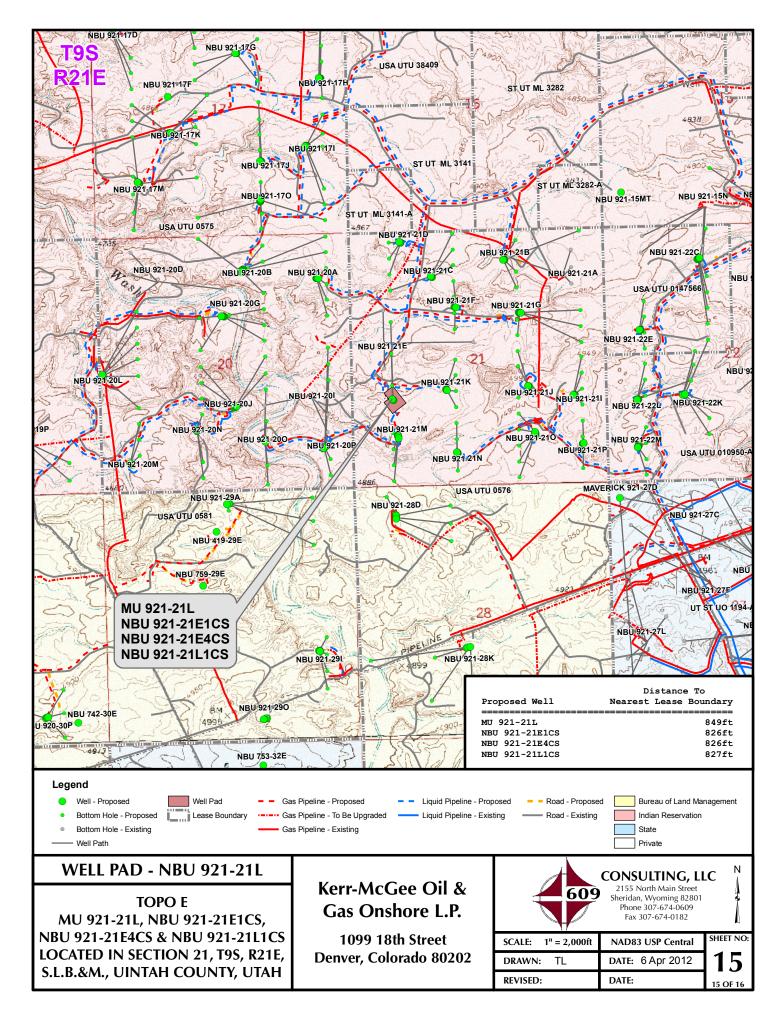












Kerr-McGee Oil & Gas Onshore, LP WELL PAD - NBU 921-21L WELLS - MU 921-21L, NBU 921-21E1CS, NBU 921-21E4CS & NBU 921-21L1CS Section 21, T9S, R21E, S.L.B.&M.

From the intersection of U.S. Highway 40 and 500 East Street in Vernal, Utah, proceed in an easterly, then southerly direction along U.S. Highway 40 approximately 3.3 miles to the junction of State Highway 45. Exit right and proceed in a southerly direction along State Highway 45 approximately 20.2 miles to the junction of the Glen Bench Road (County B Road 3260). Exit right and proceed in a southwesterly direction along the Glen Bench Road approximately 17.7 miles to a Class D County Road to the southwest. Exit right and proceed in a southwesterly direction along the Class D County Road approximately 1.8 miles to a second Class D County Road to the north. Exit right and proceed in a northerly direction along the second Class D County Road approximately 2.3 miles to a Tribal Road to the southwest. Continue in a southwesterly direction along the Tribal Road approximately 1.3 miles to a service road to the south. Exit left and proceed in a southerly, then southwesterly direction along the service road approximately 0.7 miles to a second service road to the southeast. Exit left and proceed in a southeasterly direction along the second service road approximately 250 feet to an existing access road to the South. Exit right and proceed in a southerly direction along the access road approximately 210 feet to the proposed well location.

Total distance from Vernal, Utah to the proposed well location is approximately 47.5 miles in a southerly direction.

SHEET 16 OF 16

API Well Number: 43047 5 Roofet 1: OUTA 0 - UTM (feet), NAD27, Zone 12N

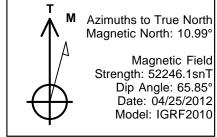
Scientific Drilling

Site: NBU 921-21L PAD Well: NBU 921-21E1CS

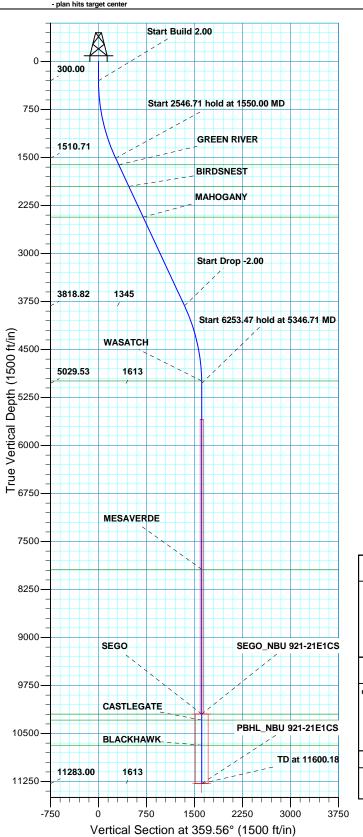
Wellbore: OH

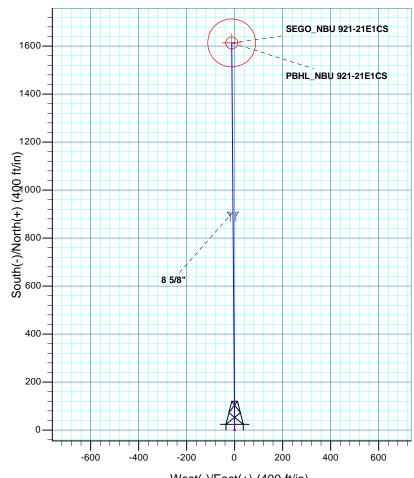
Design: PLAN #1 PERMIT





				WELL	DETAILS: NE	U 921-21E1CS			
				GL 4848	& KB 4 @ 4852	.00ft (ASSUMED)			
	+N/-S 0.00	+E/-W 0.00		Northing 14536289.81	Easting 2042900.03	Latitti 40.019			
				D	ESIGN TARGE	Γ DETAILS			
Name	TVD	+N/-S	+E/-W	Nort	hing	Easting	Latitude	Longitude	Shape
SEGO	10198.00 - plan hits targe	1613.06 et center	-12.32	1453790		2042861.69	40.023648	-109.562526	Circle (Radius: 25.00)
PBHL	11283.00 - plan hits targe	1613.06	-12.32	1453790	2.45	2042861.69	40.023648	-109.562526	Circle (Radius: 100.00





W	st(-)/East(+) (400 ft/in)	
s	ION DETAILS	
MD Inc Azi TVD +N 0.00 0.00 0.00 0.00 0.00 0. 300.00 0.00	+E/-W Dleg TFace VSect 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	PBHL_NBU 921-21E1CS
PROJECT DETAILS: UTAH - UTM (feet), NAD27, Zone Geodetic System: Universal Transverse Mercator (US Surve Datum: NAD 1927 (NADCON CONUS) Ellipsoid: Clarke 1866 Zone: Zone 12N (114 W to 108 W) Location: SECTION21 T10SR21E System Datum: Mean Sea Level	eet) FORMATION TOP L TVDPath MDPath 1614.00 1663.97 1952.00 2036.91 2432.00 2566.53 4992.00 5309.18 7936.00 8253.18 10198.00 10515.18 10291.00 10608.18 10683.00 11000.18	Formation GREEN RIVER BIRDSNEST MAHOGANY WASATCH MESAVERDE SEGO CASTLEGATE BLACKHAWK
TVD	MD Name Size 1.05 8 5/8" 8.625	



US ROCKIES REGION PLANNING

UTAH - UTM (feet), NAD27, Zone 12N NBU 921-21L PAD NBU 921-21E1CS

OH

Plan: PLAN #1 PERMIT

Standard Planning Report

25 April, 2012





SDIPlanning Report



Database: EDM 5000.1 Single User Db Company: US ROCKIES REGION PLAI

Company: US ROCKIES REGION PLANNING
Project: UTAH - UTM (feet), NAD27, Zone 12N

 Site:
 NBU 921-21L PAD

 Well:
 NBU 921-21E1CS

Wellbore: OH

Design: PLAN #1 PERMIT

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well NBU 921-21E1CS

GL 4848 & KB 4 @ 4852.00ft (ASSUMED) GL 4848 & KB 4 @ 4852.00ft (ASSUMED)

True

Minimum Curvature

Project UTAH - UTM (feet), NAD27, Zone 12N

Map System: Universal Transverse Mercator (US Survey Feet)

 Geo Datum:
 NAD 1927 (NADCON CONUS)

 Map Zone:
 Zone 12N (114 W to 108 W)

Mean Sea Level

Site NBU 921-21L PAD, SECTION 21 T10S R21E

Northing: 14,536,273.98 usft Site Position: Latitude: 40.019175 From: Lat/Long Easting: 2,042,912.33 usft Longitude: -109.562439 **Position Uncertainty:** 0.00 ft Slot Radius: **Grid Convergence:** 0.92 13.200 in

System Datum:

Well NBU 921-21E1CS, 1777 FSL 837 FWL

 Well Position
 +N/-S
 16.02 ft
 Northing:
 14,536,289.81 usft
 Latitude:
 40.019219

 +E/-W
 -12.04 ft
 Easting:
 2,042,900.03 usft
 Longitude:
 -109.562482

Position Uncertainty0.00 ftWellhead Elevation:Ground Level:4,848.00 ft

Wellbore ОН Magnetics **Model Name** Sample Date Declination Dip Angle Field Strength (nT) (°) (°) 04/25/12 IGRF2010 10.99 65.85 52.246

PLAN #1 PERMIT Design Audit Notes: Version: Phase: PLAN Tie On Depth: 0.00 **Vertical Section:** Depth From (TVD) +N/-S +E/-W Direction (ft) (ft) (ft) (°) 0.00 0.00 0.00 359.56

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,550.00	25.00	359.56	1,510.71	268.40	-2.05	2.00	2.00	0.00	359.56	
4,096.71	25.00	359.56	3,818.82	1,344.66	-10.27	0.00	0.00	0.00	0.00	
5,346.71	0.00	0.00	5,029.53	1,613.06	-12.32	2.00	-2.00	0.00	180.00	
11,600.18	0.00	0.00	11,283.00	1,613.06	-12.32	0.00	0.00	0.00	0.00	PBHL_NBU 921-21E



SDI Planning Report



EDM 5000.1 Single User Db Database: Company: Project:

US ROCKIES REGION PLANNING UTAH - UTM (feet), NAD27, Zone 12N

NBU 921-21L PAD Site: Well: NBU 921-21E1CS

Wellbore: ОН

Design: PLAN #1 PERMIT Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well NBU 921-21E1CS

GL 4848 & KB 4 @ 4852.00ft (ASSUMED) GL 4848 & KB 4 @ 4852.00ft (ASSUMED)

True

JII.									
ned Survey									
Measured Depth (ft)	Inclination	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
Start Build 2.		0.00	000.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	2.00	359.56	399.98	1.75	-0.01	1.75	2.00	2.00	0.00
400.00	2.00	339.30	399.90	1.75	-0.01	1.75	2.00	2.00	0.00
500.00	4.00	359.56	499.84	6.98	-0.05	6.98	2.00	2.00	0.00
600.00	6.00	359.56	599.45	15.69	-0.12	15.69	2.00	2.00	0.00
700.00	8.00	359.56	698.70	27.88	-0.21	27.88	2.00	2.00	0.00
800.00	10.00	359.56	797.47	43.52	-0.33	43.52	2.00	2.00	0.00
900.00	12.00	359.56	895.62	62.60	-0.48	62.60	2.00	2.00	0.00
1,000.00	14.00	359.56	993.06	85.09	-0.65	85.10	2.00	2.00	0.00
1,100.00	16.00	359.56	1,089.64	110.97	-0.85	110.98	2.00	2.00	0.00
1,200.00	18.00	359.56	1,185.27	140.21	-1.07	140.21	2.00	2.00	0.00
1,300.00	20.00	359.56	1,279.82	172.76	-1.32	172.77	2.00	2.00	0.00
1,400.00	22.00	359.56	1,373.17	208.60	-1.59	208.60	2.00	2.00	0.00
1,500.00	24.00	359.56	1,465.21	247.67	-1.89	247.67	2.00	2.00	0.00
1,550.00	25.00	359.56	1,510.71	268.40	-2.05	268.41	2.00	2.00	0.00
			1,510.71	200.40	-2.05	200.41	2.00	2.00	0.00
	hold at 1550.00								
1,600.00	25.00	359.56	1,556.03	289.53	-2.21	289.54	0.00	0.00	0.00
1,663.97	25.00	359.56	1,614.00	316.56	-2.42	316.57	0.00	0.00	0.00
GREEN RIVE									
1,700.00	25.00	359.56	1,646.66	331.79	-2.53	331.80	0.00	0.00	0.00
1,800.00	25.00	359.56	1,737.29	374.05	-2.86	374.06	0.00	0.00	0.00
1,900.00	25.00	359.56	1,827.92	416.31	-3.18	416.32	0.00	0.00	0.00
								0.00	
2,000.00	25.00	359.56	1,918.55	458.57	-3.50	458.59	0.00		0.00
2,036.91	25.00	359.56	1,952.00	474.17	-3.62	474.18	0.00	0.00	0.00
BIRDSNEST									
2,100.00	25.00	359.56	2,009.18	500.83	-3.83	500.85	0.00	0.00	0.00
2,200.00	25.00	359.56	2,099.81	543.09	-4.15	543.11	0.00	0.00	0.00
2,300.00	25.00	359.56	2,190.44	585.36	-4.47	585.37	0.00	0.00	0.00
2,400.00	25.00	359.56	2,281.07	627.62	-4.79	627.63	0.00	0.00	0.00
2,500.00	25.00	359.56	2,371.70	669.88	-5.12	669.90	0.00	0.00	0.00
2,566.53	25.00	359.56	2,432.00	697.99	-5.33	698.01	0.00	0.00	0.00
	25.00	339.30	2,432.00	097.99	-5.55	090.01	0.00	0.00	0.00
MAHOGANY									
2,600.00	25.00	359.56	2,462.34	712.14	-5.44	712.16	0.00	0.00	0.00
2,700.00	25.00	359.56	2,552.97	754.40	-5.76	754.42	0.00	0.00	0.00
2,800.00	25.00	359.56	2,643.60	796.66	-6.08	796.68	0.00	0.00	0.00
2,900.00	25.00	359.56	2,734.23	838.92	-6.41	838.94	0.00	0.00	0.00
3,000.00	25.00	359.56	2,824.86	881.18	-6.73	881.20	0.00	0.00	0.00
3,063.05	25.00	359.56	2,882.00	907.82	-6.93	907.85	0.00	0.00	0.00
8 5/8"									
3,100.00	25.00	359.56	2,915.49	923.44	-7.05	923.47	0.00	0.00	0.00
3,200.00	25.00	359.56	3,006.12	965.70	-7.38	965.73	0.00	0.00	0.00
3,300.00	25.00	359.56	3,096.75	1,007.96	-7.70	1,007.99	0.00	0.00	0.00
3,400.00	25.00	359.56	3,187.38	1,050.22	-8.02	1,050.25	0.00	0.00	0.00
3,500.00	25.00	359.56	3,278.01	1,092.48	-8.34	1,092.51	0.00	0.00	0.00
3,600.00	25.00	359.56	3,368.64	1,134.74	-8.67	1,134.78	0.00	0.00	0.00
3,700.00	25.00	359.56	3,459.27	1,177.00	-8.99	1,177.04	0.00	0.00	0.00
3,800.00	25.00	359.56	3,549.90	1,219.26	-9.31	1,219.30	0.00	0.00	0.00
3,900.00	25.00	359.56	3,640.54	1,261.52	-9.64	1,261.56	0.00	0.00	0.00
			0.704.47	4 000 70		4 000 00	0.00	0.00	0.00
4,000.00	25.00	359.56	3,731.17	1,303.79	-9.96	1,303.82	0.00	0.00	0.00



SDIPlanning Report



Database: EDM Company: US R Project: UTAH

EDM 5000.1 Single User Db US ROCKIES REGION PLANNING

UTAH - UTM (feet), NAD27, Zone 12N NBU 921-21L PAD

 Site:
 NBU 921-21L PAD

 Well:
 NBU 921-21E1CS

Wellbore: OH

Design: PLAN #1 PERMIT

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well NBU 921-21E1CS

GL 4848 & KB 4 @ 4852.00ft (ASSUMED) GL 4848 & KB 4 @ 4852.00ft (ASSUMED)

True

gn:	PLAN #1 PER	CIVII I							
nned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
Start Drop	-2.00								
4,100.00	24.93	359.56	3,821.80	1,346.04	-10.28	1,346.08	2.00	-2.00	0.00
4,200.00	22.93	359.56	3,913.19	1,386.61	-10.59	1,386.65	2.00	-2.00	0.00
4,300.00	20.93	359.56	4,005.95	1,423.96	-10.88	1,424.00	2.00	-2.00	0.00
4,400.00	18.93	359.56	4,099.95	1,458.05	-11.14	1,458.09	2.00	-2.00	0.00
4,500.00	16.93	359.56	4,195.09	1,488.84	-11.37	1,488.89	2.00	-2.00	0.00
4,600.00	14.93	359.56	4,291.24	1,516.29	-11.58	1,516.34	2.00	-2.00	0.00
4,700.00	12.93	359.56	4,388.30	1,540.37	-11.77	1,540.42	2.00	-2.00	0.00
4,800.00	10.93	359.56	4,486.13	1,561.05	-11.92	1,561.10	2.00	-2.00	0.00
4.000.00	0.02	250.56	4 504 63	1 570 20	12.05	1 570 25	2.00	2.00	0.00
4,900.00 5,000.00	8.93 6.93	359.56 359.56	4,584.63 4,683.66	1,578.30 1,592.10	-12.05 -12.16	1,578.35 1,592.15	2.00 2.00	-2.00 -2.00	0.00 0.00
5,100.00	4.93	359.56 359.56	4,083.00	1,602.44	-12.16 -12.24	1,602.49	2.00	-2.00 -2.00	0.00
5,200.00	2.93	359.56	4,763.12 4,882.88	1,602.44	-12.2 4 -12.29	1,602.49	2.00	-2.00 -2.00	0.00
5,300.00	0.93	359.56	4,982.82	1,612.68	-12.29	1,612.72	2.00	-2.00	0.00
5,309.18	0.75	359.56	4,992.00	1,612.81	-12.32	1,612.86	2.00	-2.00	0.00
WASATCH									
5,346.71	0.00	0.00	5,029.53	1,613.06	-12.32	1,613.10	2.00	-2.00	0.00
	47 hold at 5346.7								
5,400.00	0.00	0.00	5,082.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
5,500.00	0.00	0.00	5,182.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
5,600.00	0.00	0.00	5,282.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
5,700.00	0.00	0.00	5,382.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
5,800.00	0.00	0.00	5,482.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
5,900.00	0.00	0.00	5,582.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
6,000.00	0.00	0.00	5,682.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
6,100.00	0.00	0.00	5,782.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
6,200.00	0.00	0.00	5,882.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
6,300.00	0.00	0.00	5,982.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
6,400.00	0.00	0.00	6,082.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
6,500.00	0.00	0.00	6,182.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
6,600.00	0.00	0.00	6,282.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
6,700.00	0.00	0.00	6,382.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
6,800.00	0.00	0.00	6,482.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
6,900.00	0.00	0.00	6,582.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
7,000.00	0.00	0.00	6,682.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
7,100.00	0.00	0.00	6,782.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
7,200.00	0.00	0.00	6,882.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
7,300.00	0.00	0.00	6,982.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
7,400.00	0.00	0.00	7,082.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
7,500.00	0.00	0.00	7,182.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
7,600.00	0.00	0.00	7,282.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
			7,382.82		-12.32				
7,700.00 7,800.00	0.00 0.00	0.00 0.00	7,382.82 7,482.82	1,613.06 1,613.06	-12.32 -12.32	1,613.10 1,613.10	0.00 0.00	0.00 0.00	0.00 0.00
7,800.00	0.00	0.00	7, 4 62.62 7,582.82	1,613.06	-12.32 -12.32	1,613.10	0.00	0.00	0.00
8,000.00	0.00	0.00	7,682.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
8,100.00	0.00	0.00	7,782.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
8,200.00	0.00	0.00	7,882.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
8,253.18	0.00	0.00	7,936.00	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
MESAVERI									
8,300.00	0.00	0.00	7,982.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
8,400.00	0.00	0.00	8,082.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
8,500.00	0.00	0.00	8,182.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
8,600.00	0.00	0.00	8,282.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00



SDIPlanning Report



Database: Company: Project: EDM 5000.1 Single User Db US ROCKIES REGION PLANNING UTAH - UTM (feet), NAD27, Zone 12N

 Site:
 NBU 921-21L PAD

 Well:
 NBU 921-21E1CS

Wellbore: OH

Design: PLAN #1 PERMIT

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well NBU 921-21E1CS

GL 4848 & KB 4 @ 4852.00ft (ASSUMED) GL 4848 & KB 4 @ 4852.00ft (ASSUMED)

True

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
8,700.00	0.00	0.00	8,382.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
8,800.00	0.00	0.00	8,482.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
8,900.00	0.00	0.00	8,582.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
9,000.00	0.00	0.00	8,682.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
9,100.00	0.00	0.00	8,782.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
9,200.00	0.00	0.00	8,882.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
9,300.00	0.00	0.00	8,982.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
9,400.00	0.00	0.00	9,082.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
9,500.00	0.00	0.00	9,182.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
9,600.00	0.00	0.00	9,282.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
9,700.00	0.00	0.00	9,382.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
9,800.00	0.00	0.00	9,482.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
9,900.00	0.00	0.00	9,582.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
10,000.00	0.00	0.00	9,682.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
10,100.00	0.00	0.00	9,782.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
10,200.00	0.00	0.00	9.882.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
10,300.00	0.00	0.00	9,982.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
10,400.00	0.00	0.00	10,082.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
10,500.00	0.00	0.00	10,182.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
,			,	,					
10,515.18	0.00	0.00	10,198.00	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
	O_NBU 921-21E		40.000.00	4 040 00	40.00	1 010 10	0.00	2.22	0.00
10,600.00	0.00	0.00	10,282.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
10,608.18	0.00	0.00	10,291.00	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
10,700.00	0.00	0.00	10,382.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
10,800.00	0.00	0.00	10,482.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
	0.00						0.00	0.00	
10,900.00		0.00	10,582.82	1,613.06	-12.32	1,613.10			0.00
11,000.00	0.00	0.00	10,682.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
11,000.18 BLACKHAW	0.00	0.00	10,683.00	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
		0.00	40 700 00	4 042 00	40.00	4 040 40	0.00	0.00	0.00
11,100.00 11,200.00	0.00 0.00	0.00 0.00	10,782.82 10,882.82	1,613.06 1,613.06	-12.32 -12.32	1,613.10 1,613.10	0.00 0.00	0.00 0.00	0.00 0.00
11,300.00	0.00	0.00	10,982.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
11,400.00	0.00	0.00	11,082.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
11,500.00	0.00	0.00	11,182.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
11,600.00	0.00	0.00	11,282.82	1,613.06	-12.32	1,613.10	0.00	0.00	0.00
11,600.18	0.00	0.00	11,283.00	1,613.06	-12.32	1,613.10	0.00	0.00	0.00

Design Targets									
Target Name - hit/miss target - Shape	Dip Angle	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
SEGO_NBU 921-21E1C - plan hits target cen - Circle (radius 25.00		0.00	10,198.00	1,613.06	-12.32	14,537,902.46	2,042,861.68	40.023648	-109.562526
PBHL_NBU 921-21E1Ct - plan hits target cen - Circle (radius 100.0	ter	0.00	11,283.00	1,613.06	-12.32	14,537,902.46	2,042,861.68	40.023648	-109.562526



SDIPlanning Report



Database: EDM 5000.1 Single User Db
Company: US ROCKIES REGION PLANNING

UTAH - UTM (feet), NAD27, Zone 12N

 Site:
 NBU 921-21L PAD

 Well:
 NBU 921-21E1CS

Wellbore: OH

Project:

Design: PLAN #1 PERMIT

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well NBU 921-21E1CS

GL 4848 & KB 4 @ 4852.00ft (ASSUMED) GL 4848 & KB 4 @ 4852.00ft (ASSUMED)

True

Casing Points					
	Measured	Vertical		Casing	Hole
	Depth	Depth		Diameter	Diameter
	(ft)	(ft)	Name	(in)	(in)
	3,063.05	2,882.00 8 5/8"		8.625	11.000

Measured	Vertical				Dip	
Depth (ft)	Depth (ft)	Name	Lithology	Dip (°)	Direction (°)	
1,663.97	1,614.00	GREEN RIVER				
2,036.91	1,952.00	BIRDSNEST				
2,566.53	2,432.00	MAHOGANY				
5,309.18	4,992.00	WASATCH				
8,253.18	7,936.00	MESAVERDE				
10,515.18	10,198.00	SEGO				
10,608.18	10,291.00	CASTLEGATE				
11,000.18	10,683.00	BLACKHAWK				

Plan Annotations				
Measured	Vertical	Local Coor	dinates	
Depth	Depth	+N/-S	+E/-W	O
(ft)	(ft)	(ft)	(ft)	Comment
300.00	300.00	0.00	0.00	Start Build 2.00
1,550.00	1,510.71	268.40	-2.05	Start 2546.71 hold at 1550.00 MD
4,096.71	3,818.82	1,344.66	-10.27	Start Drop -2.00
5,346.71	5,029.53	1,613.06	-12.32	Start 6253.47 hold at 5346.71 MD
11,600.18	11,283.00	1,613.06	-12.32	TD at 11600.18

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MU 921-21L/ NBU 921-21E1CS/ NBU 921-21E4CS/ NBU 921-21L1CS Kerr-McGee Oil Gas Onshore, L.P.

Kerr-McGee Oil & Gas Onshore. L.P.

NBU 921-21L Pad

<u>API #</u>		MU 921-21L		
	Surface:	1761 FSL / 849 FWL	NWSW	Lot
	BHL:	1761 FSL / 849 FWL	NWSW	Lot
<u>API #</u>	<u> </u>	NBU 921-21E1CS		
	Surface:	1777 FSL / 837 FWL	NWSW	Lot
	BHL:	1902 FNL / 826 FWL	SWNW	Lot
<u>API #</u>	<u>_</u>	NBU 921-21E4CS		
<u>API #</u>	Surface:	NBU 921-21E4CS 1786 FSL / 831 FWL	NWSW	Lot
<u>API #</u>	=		NWSW SWNW	Lot Lot
<u>API #</u>	Surface: BHL:	1786 FSL / 831 FWL		
	Surface: BHL:	1786 FSL / 831 FWL 2564 FNL / 826 FWL		

This Surface Use Plan of Operations (SUPO) or 13-point plan provides site-specific information for the above-referenced wells.

In accordance with Utah Oil & Gas Conservation Rule R649-3-11 pertaining to Directional Drilling, these wells will be directionally drilled. Refer to Topo Map A for directions to the location and Topo Maps A and B for location of access roads within a 2-mile radius.

An on-site meeting was held on May 8, 2012. Present were:

- · David Gordon, Melissa Wardle, Tyler Cox BLM;
- · Bucky Secakuku BIA;
- · Brad Pinecoose Ute Indian Tribe;
- · Amy Ackman Montgomery Archeological Consultants Inc.;
- Scott Carson Smiling Lake Consulting;
- · John Slaugh, Mitch Batty Timberline Engineering & Land Surveying, Inc.;
- · Danielle Piernot, Raleen White, Doyle Holmes, Rod Anderson, Charles Chase Kerr-McGee
- · Tim Horgan-Kobelski Grasslands Consulting, Inc.
- · Justin Strauss SWCA Environmental Consultants

A. Existing Roads:

Existing roads consist of county and improved/unimproved access roads (two-tracks). In accordance with Onshore Order #1, Kerr-McGee will, in accordance with BMPs, improve or maintain existing roads in a condition

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MU 921-21L/ NBU 921-21E1CS/ NBU 921-21E4CS/ NBU 921-21L1CS Kerr-McGee Oil Gas Onshore, L.P.

that is the same as or better than before operations began. New or reconstructed proposed access roads are discussed in Section B

The existing roads will be maintained in a safe and usable condition. Maintenance for existing roads will continue until final abandonment and reclamation of well pads and/or other facilities, as applicable. Road maintenance will include, but is not limited to, blading, ditching, and/or culvert installation and cleanout. To ensure safe operating conditions, gravel surfacing will be performed where excessive rutting or erosion may occur. Dust control will be performed as necessary to ensure safe operating conditions.

Roads, gathering lines and electrical distribution lines will occupy common disturbance corridors where possible. Where available, roadways will be used as the staging area and working space for installation of gathering lines. All disturbances located in the same corridor will overlap each other to the maximum extent possible, while maintaining safe and sound construction and installation practices. Unless otherwise approved or requested in site specific documents, in no case will the maximum disturbance widths of the access road and utility corridors exceed the widths specified in Part D of this document.

Please refer to Topo B, for existing roads.

B. New or Reconstructed Access Roads:

All new or reconstructed roads will be located, designed, and maintained to meet the standards of the BIA.

Each new well pad or pad expansion may require construction of a new access road and/or de-commissioning of an older road. Plans, routes, and distances for new roads and road improvements are provided in design packages, exhibits and maps for a project. Project-specific maps are submitted to depict the locations of existing, proposed, and/or decommissioned and include the locations for supporting structures, including, but not limited to, culverts, bridges, low water crossings, range infrastructure, and haul routes, as per OSO 1. Designs for cuts and fills, including spoils source and storage areas, are provided with the road designs, as necessary.

Where safety objectives can be met. As applicable, Kerr-McGee may use unimproved and/or two-track roads for lease operations, to lessen total disturbance.

Road designs will be based on the road safety requirements, traffic characteristics, environmental conditions, and the vehicles the road is intended to carry. Generally, newly constructed unpaved lease roads will be crowned and ditched with the running surfaces of the roads approximately 12-18 feet wide and a total road corridor width not to exceed 45 feet, except where noted in the road design for a specific project. Maximum grade will generally not exceed 8%. Borrow ditches will be back sloped 3:1 or less. Construction BMPs will be employed to control onsite and offsite erosion.

Where topography would direct storm water runoff to an access road or well pad, drainage ditches or other common drainage control facilities, such as V- or wing-ditches, will be constructed to divert surface water runoff. Drainage features, including culverts, will be constructed or installed prior to commencing other operations, including drilling or facilities placement. Riprap will be placed at the inlet and outlet at the culvert(s), as necessary.

Prior to construction, new access road(s) will be staked according to the requirements of OSO 1. Construction activity will not be conducted using frozen or saturated materials or during periods when significant watershed damage

MU 921-21L/ NBU 921-21E1CS/ NBU 921-21E4CS/ NBU 921-21L1CS Kerr-McGee Oil Gas Onshore, L.P.

Surface Use Plan of Operations 3 of 14

(e.g. rutting, extensive sheet soil erosion, formation of rills/gullies, etc.) is likely to occur. Vegetative debris will not be placed in or under fill embankments.

New road maintenance will include, but is not limited to, blading, ditching, culvert installation and cleanout, gravel surfacing where excessive rutting or erosion may occur and dust control, as necessary to ensure safe operating conditions. All vehicular traffic, personnel movement, construction/restoration operations will be confined to the approved area and to existing roadways and/or access routes.

Snow removal will be conducted on an as-needed basis to accommodate safe travel. Snow removal will occur as necessary throughout the year, as will necessary drainage ditch construction. Removed snow may be stored on permitted well pads to reduce hauling distances and/or at the aerial extent of approved disturbance boundaries to facilitate snow removal for the remainder of the season.

If a county road crossing or encroachment permit is needed, it will be obtained prior to construction.

The following segments will require a ROW to be submitted under a different cover to the Ute Indian Tribe.

No New Access Road is Proposed

C. Location of Existing Wells:

A) Refer to Topo Map C.

D. Location of Existing and/or Proposed Facilities:

This pad will expand the existing pad for the NBU 921-21L, which is a producing gas well according to Utah Division of Oil, Gas and Mining (UDOGM) records on June 4, 2012. Gathering (pipeline) infrastructure will be utilized to collect and transport gas and fluids from the wells which are owned and operated by Kerr McGee Oil and Gas Onshore LP (Kerr-McGee).

Should the well(s) prove productive, production facilities will be installed on the disturbed portion of each well pad. A berm will be constructed completely around production components (typically excluding dehy's and/or separators) that contain fluids (i.e. production tanks, produced liquids tanks). The berms will generally be constructed of compacted subsoil or corrugated metal, and will hold the capacity of the largest tank and have sufficient freeboard to accommodate a 25 year rainfall event. This includes pumping units. Aboveground structures constructed or installed onsite for 6 months or longer, will be painted a flat, non-reflective, earth-tone color chosen at the onsite (typically Shadow Gray). A production facility layout is provided as part of a project-specific APD, ROW or NOS submission.

GAS GATHERING

Please refer to Topo D2- Pad and Pipeline Detail.

The gas gathering pipeline material: Steel line pipe. Surface = Bare pipe. Buried = Coated with fusion bonded epoxy coating (or equivalent). The total gas gathering pipeline distance from the meter to the tie in point is ± 335 ' and the individual segments are broken up as follows:

Kerr-McGee Oil Gas Onshore, L.P.

The following segments will require a ROW to be submitted under a different cover to the Ute Indian Tribe.

±335' (0.06 miles) – Section 21 T9S R21E– On-lease UTU0576 Ute Indian Tribe Surface, New 6" and 10" buried gas gathering pipeline from the meter to the NBU 921-21K Pad intersection. Please refer to Topo D2 - Pad and Pipeline Detail.

LIQUID GATHERING

Please refer to Topo D2- Pad and Pipeline Detail.

The total liquid gathering pipeline distance from the separator to the tie in point is ± 335 ' and the individual segments are broken up as follows:

The following segments will require a ROW to be submitted under a different cover to the Ute Indian Tribe.

±335' (0.06 miles) – Section 21 T9S R21E– On-lease UTU0576 Ute Indian Tribe Surface, New 6" buried liquid gathering pipeline from the separator to the NBU 921-21K Pad intersection. Please refer to Topo D2 - Pad and Pipeline Detail.

Pipeline Gathering Construction

Gathering (pipeline) infrastructure will be utilized to collect and transport gas and fluids from the wells which are owned and operated by Kerr McGee. Gas gathering pipeline(s,) gas lift, or liquids pipelines may be constructed to lie on the surface or be buried. Where the pipeline is adjacent to the road or well pad, the road and/or well pad will be utilized for construction activities and staging. The area of disturbance during construction from the edge of road or well pad will typically be 30' in width. Where pipelines run cross country, the width of disturbance will typically be 45 ft for buried lines and 30 ft for surface lines. In addition, Kerr-McGee requests for a permanent 30' disturbance width that will be maintained for the portion adjacent to the road. The need for the 30' permanent disturbance width is for maintenance and repairs. Cross country permanent disturbance width also are required to be 30ft.

Above-ground installation will generally not require clearing of vegetation or blading of the surface, except where safety considerations necessitate earthwork. In some surface pipeline installation instances pipe cannot be constructed where it will lay. In these cases where an above-ground pipeline is constructed parallel and adjacent to a road, it will be welded/fused on the road and then lifted from the road to the pipeline route. In other cases where a pipeline route is not parallel and adjacent to a road (cross-country between sites), it will be welded/fused in place at a well pad, access road, or designated work area and pulled between connection locations with a suitable piece of equipment.

Buried pipelines will generally be installed parallel and adjacent to existing and/or newly constructed roads and within the permitted disturbance corridor. Buried pipelines may vary from 2 inches (typically fuel gas lines) to 24 inches (typically transportation lines) in diameter, but 6 to 16 inches is typical for a buried gas line. The diameter of liquids pipelines may vary from 2 inches to 12 inches, but 6 inches is the typical diameter. Gas lift lines may vary from 2 to 12 inches in diameter, but 6-inch diameter pipes are generally used for gas lift. If two or more pipelines are present (gas gathering, gas lift, and fluids), they will share a common trench where possible.

MU 921-21L/ NBU 921-21E1CS/ NBU 921-21E4CS/ NBU 921-21L1CS Kerr-McGee Oil Gas Onshore, L.P.

Typically, to install a buried pipeline, topsoil will be removed, windrowed and placed on the non-working side of the route for later reclamation. Because working room is limited, the spoil may be spread out across the working side and construction will take place on the spoil. The working side of the corridor will be used for pipe stringing, bending, welding and equipment travel. Small areas on the working side displaying ruts or uneven ground will be groomed to facilitate the safe passage of equipment. After the pipelines are installed, spoil will be placed back into the trench, and the topsoil will be redistributed over the disturbed corridor prior to final reclamation. Typical depth of the trench will be 6 feet, but depths may vary according to site-specific conditions (presence of bedrock, etc.). The proposed trench width for the pipeline would range from 18-48 inches.

The pipeline will be welded along the proposed route and lowered into place. Trenching equipment will cut through the soil or into the bedrock and create good backfill, eliminating the need to remove large rocks. The proposed buried pipeline will be visually and radiographically inspected and the entire pipeline will be pneumatically or hydrostatically tested before being placed into service. Routine vehicle traffic will be prevented from using pipeline routes as travel ways by posting signs at the route's intersection with an access road.

The liquid gathering lines will be made of polyethylene or a composite polyethylene/steel or polyethylene/fiberglass that is not subject to internal or external pipe corrosion. The content of the produced fluids to be transferred by the liquid gathering system will be approximately 92% produced water and 8% condensate. Trunk line valve connections for the water gathering system will be below ground but accessible from the surface in order to prevent freezing during winter time.

If pipelines or roads encounter a drainage that could be subject to flooding or surface water during extreme precipitation events, Kerr-McGee will apply all applicable Army Corps mandates as well as the BLM's Hydraulic Considerations for Pipeline Crossings of Stream Channels (BLM Technical Note 423, April 2007). In addition, all stream and drainage crossings will be evaluated to determine the need for stream alteration permits from the State of Utah Division of Water Rights and if necessary, required permits will be secured. Similarly, where a road or pipeline crossing exists the pipe will be butt welded and buried to a depth between 24 and 48 inches or more. Dirt roads will be cut and restored to a condition equivalent to the existing condition. All Uintah County road encroachment and crossing permits, where applicable, will be obtained prior to crossing construction. In no case will pressure testing of pipelines result in discharge of liquids to the surface.

Pipeline signs will be installed along the route to indicate the pipeline proximity, ownership, and to provide emergency contact phone numbers. Above ground valves and lateral T's will be installed at various locations for production integrity and safety purposes.

Upon completion of the proposed buried pipeline, the entire area of disturbance will be reclaimed to the standards proposed in the Green River District Reclamation Guidelines. Please refer to section J for more details regarding final reclamation.

When no longer deemed necessary by the operator, Kerr-McGee or it's successor will consult with the Vernal BIA Office before terminating of the use of the pipeline(s).

$\label{thm:completions} The \ An adarko \ Completions \ Transportation \ System \ (ACTS) \ information:$

Kerr-McGee will use either a closed loop drilling system that will require one pit and one storage area to be constructed on the drilling pad or a traditional drilling operation with one pit. The storage area will be used to contain only the de-watered drill cuttings and will be lined and reclaimed according to traditional pit closure standards. The pit will be constructed to

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allow for completion operations. The completion operations pit is lined and will be used for the wells drilled on the pad or used as part of our Anadarko Completions Transportation (ACTS) system which is discussed in more detail below. Using the closed loop drilling system will allow Kerr-McGee to decrease the amount of disturbance/footprint on location compared to a single large drilling/completion pit.

If Kerr-McGee does not use a closed loop system, it will construct a drilling reserve pit to contain drill cuttings and for use in completion operations. Depending on the location of the pit, its relation to future drilling locations, the reserve/completion pit will be utilized for the completion of the wells on that pad and/or be used as part of our ACTS system.

Kerr-McGee will use ACTS to optimize the completion processes for multiple pads across the project area which may include up to a section of development. ACTS will facilitate management of frac fluids by utilizing existing reserve pits and temporary, surface-laid aluminum liquids transfer lines between frac locations. The pit will be refurbished as follows when a traditional drill pit is used: mix and pile up drill cuttings with dry dirt, bury the original liner in the pit, walk bottom of pit with cat. Kerr-McGee will reline the pit with a 30 mil liner and double felt padding. The refurbished pit will be the same size or smaller as specified in the originally approved ROW/APD. The pit refurb will be done in a normal procedure and there will be no modification to the pit.

All four sides of the completions pit will be fenced in according to standard pit fencing procedures. Netting will be installed over all pits.

The collected hydrocarbons will be treated and sold at approved sales facilities. A loading rack with drip containment will also be installed where water trucks would unload and load to prevent damage caused from pulling hoses in and out of the pit.

ACTS will require temporarily laying multiple 6" aluminum water transfer lines on the surface between either existing or refurbished reserve pits. The temporary aluminum transfer lines will be utilized to transport frac fluid being injected and/or recovered during the completion process and will be laid adjacent to existing access roads or pipeline corridors. Upon completion of the frac operation, the liquids transfer lines will be flushed with fresh water and purged with compressed air. The contents of the transfer lines will be flushed into a water truck for delivery to another ACTS location or a reserve pit.

The temporary ACTS lines will be permitted under a separate cover to the Ute Indian Tribe.

The volume of frac fluid transported through a water transfer line will vary, but volume is projected to be approximately 1.75 bbls per 50-foot joint. Although the maximum working pressure is 125 psig, the liquids transfer lines will be operated at a pressure of approximately 30 to 40 psig. Kerr-McGee requests to keep the netted pit open for one year from first production of the first produced well on the pad. During this time the surrounding well location completion fluids may be recycled in this pit and utilized for other frac jobs in the area. After one year Kerr-McGee will backfill the pit and reclaim. If the pit is not needed for an entire year it will be backfilled and reclaimed earlier. Kerr-McGee understands that due to the temporary nature of this system, BIA considers this a casual use situation; therefore, no permanent ROW or temporary use plan will need to be issued by the BIA.

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E. Location and Types of Water Supply:

Water for drilling and completion operations will be obtained from the following sources:

Permit # 49-2307	JD Field Services	Green River- Section 15, T2N, R22E
Permit # 49-2321	R.N. Industries	White River- Section 2, T10S, R24E
Permit # 49-2319	R.N. Industries	White River- Various Sources
Permit # 49-2320	R.N. Industries	Green River- Section 33, T8S, R23E

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

F. Construction Materials:

Construction operations will typically be completed with native materials found on location. Construction materials that must be imported to the site (mineral material aggregate, soils or materials suitable for fill/surfacing) will be obtained from a nearby permitted source (described in site-specific documents). No construction materials will be removed from Tribal lands without prior approval from the BIA. A source location other than an on-location construction site will be designated either via a map or narrative within the project specific materials provided to the BIA.

G. Methods for Handling Waste:

All wastes subject to regulation will be handled in compliance with applicable laws to minimize the potential for leaks or spills to the environment. Kerr-McGee also maintains a Spill Control and Countermeasure Plan, which includes notification requirements, including the BIA, for all reportable spills of oil, produced liquids, and hazardous materials.

Any accidental release, such as a leak or spill in excess of the reportable quantity, as established by 40 CFR Part 117.3, will be reported as per the requirements of CERCLA, Section 102 B. If a release involves petroleum hydrocarbons or produced liquids, Kerr-McGee will comply with the notification requirements of NTL-3A. Drill cuttings and/or drilling fluids will be contained in the reserve/frac pit whether a closed loop system is used or not. Cuttings will be buried in pit(s) upon closure. Unless specifically approved by the BIA, no oil or other oil-based drilling additives, chromium/metals-based, or saline muds will be used during drilling. Only fresh water (as specified above), biodegradable polymer soap, bentonite clay, and/or non-toxic additives will be used in the mud system.

Pits will be constructed to minimize the accumulation of surface precipitation runoff into the pit (via appropriate placement of subsoil storage areas and/or construction of berms, ditches, etc.). Should unexpected liquid petroleum hydrocarbons (crude oil or condensate) be encountered during drilling, completions or well testing, liquid petroleum hydrocarbons will either be contained in test tanks on the well site or evacuated by vacuum trucks and transported to an approved disposal/sales facility. Should petroleum hydrocarbons unexpectedly be released into a pit, they will be removed as soon as practical but in no case will they remain longer than 72 hours unless an alternate is approved by the BIA. Should timely removal not be feasible, the pit will be netted as soon as practical. Similarly, hydrocarbon removal will take place prior to the closure of the pit, unless authorization is provided for disposal via alternate pit closure methods (e.g. solidification).

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The reserve and/or fracture stimulation pit will be lined with an impermeable liner. The liner will be a synthetic material 30 mil or thicker. The bottom and side walls of the pit will be void of any sharp rocks that could puncture the liner. The liner will be installed over smooth fill subgrade that is free of pockets, loose rocks, or other materials (i.e. sand, sifted dirt, bentonite, straw, etc.) that could damage the liner. After evaporation and when dry, the reserve pit liners will be cut off, ripped and/or folded back (as safety considerations allow) as near to the mud surface as possible and buried on location or hauled to a landfill prior to backfilling the pit with a minimum of five feet of soil material.

Where necessary and if conditions (freeboard, etc.) allow, produced liquids from newly completed wells may be temporarily disposed of into pits for a period not to exceed 90 days as per Onshore Order Number 7 (OSO 7). Subsequently, permanent approved produced water disposal methods will be employed in accordance with OSO 7 and/or as described in a Water Management Plan (WMP). Otherwise, fluids disposal locations and associated haul routes, for ROW consideration, are typically depicted on Topo A of individual projects. Revisions to the water source or method of transportation will be subject to written approval from the BIA.

Any additional pits necessary for subsequent operations, such as temporary flare or workover pits, will be contained within the originally approved well pad and disturbance boundaries. Such temporary pits will be backfilled and reclaimed within 180 days of completion of work at a well location.

Pits containing drilling cuttings, mud, and/or completions fluids will be allowed to dry. Any free fluids remaining after one year from reaching total depth, date of completion, and/or determination of inactivity will be removed (as weather conditions allow) to an approved site and the pit reclaimed. Installation and operation of any sprinklers, pumps, and equipment will ensure that water spray or mist does not drift.

No garbage or non-exempt substances as defined by Resource Conservation and Recovery Act (RCRA) subtitle C will be placed in the reserve pit. All refuse (trash and other solid waste including cans, paper, cable, etc.) generated during construction, drilling, completion, and well testing activities will be contained in an enclosed receptacle, removed from the drill locations promptly, and transported to an approved disposal facility. Immediately after removal of the drilling rig, all debris and other waste materials not contained within trash receptacles will be collected and removed from the well location.

For the protection of livestock and wildlife, all open pits (excluding flare pits) will be fenced to prevent wildlife or livestock entry. Total height of pit fencing will be at least 42 inches and corner posts will be cemented and/or braced in such a manner as to keep the fence tight at all times. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet. Siphons, catchments, and absorbent pads will be installed to keep hydrocarbons produced by the drilling rig or other equipment on location from entering the reserve pit. Hydrocarbons, contaminated pads, and/or soils will be disposed of in accordance with state and federal requirements.

Portable, self-contained chemical toilets and/or sewage processing facilities will be provided for human waste disposal. Upon completion of operations, or as required, the toilet holding tanks will be pumped and the contents disposed of in an approved sewage disposal facility. All applicable regulations pertaining to disposal of human and solid waste will be observed.

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Materials Management

Kerr-McGee Oil Gas Onshore, L.P.

Hazardous materials above reportable quantities will not be produced by drilling or completing proposed wells or constructing the pipelines/facilities. The term "hazardous materials" as used here means: (1) any substance, pollutant, or containment listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, as amended 42 U.S.C. 9601 et seq., and the regulations issued under CERCLA; and (2) any hazardous waste as defined in RCRA of 1976, as amended. In addition, no extremely hazardous substance, as defined in 40 CFR 355, in threshold planning quantities, would be used, produced, stored, transported, or disposed of while producing any well.

Hazardous materials may be contained in some grease or lubricants, solvents, acids, paint, and herbicides, among others as defined above. Kerr-McGee maintains a file, per 29 CFR 1910.1200 (g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances that are used during the course of construction, drilling, completion, and production operations for this project. The transport, use, storage and handling of hazardous materials will follow procedures specified by federal and state regulations. Transportation of hazardous materials to the well location is regulated by the Department of Transportation (DOT) under 49 CFR, Parts 171-180. DOT regulations pertain to the packing, container handling, labeling, vehicle placarding, and other safety aspects.

Potentially hazardous materials used in the development or operation of wells will be kept in limited quantities on well sites and at the production facilities for short periods of time. Chemicals meeting the criteria for being an acutely hazardous material/substance or meet the quantities criteria per BLM Instruction Memorandum No. 93-344 will not be used.

Chemicals subject to reporting under Title III of the Superfund Amendments and Reauthorization Act (SARA) in quantities of 10,000 pounds or more may be produced and/or stored at production facilities (crude oil/condensate, produced water). They may also be kept in limited quantities on drilling sites (barite, diesel fuel, cement, cottonseed hulls etc.) for short periods of time during drilling or completion activities.

Fluids disposal and pipeline/haul routes are depicted on Topo Map A.

Any produced water separated from recoverable condensate from the proposed well will be contained in a water tank and will then be transported by pipeline and/or truck to one of the pre-approved disposal sites:

RNI in Sec. 5 T9S R22E NBU #159 in Sec. 35 T9S R21E Ace Oilfield in Sec. 2 T6S R20E MC&MC in Sec. 12 T6S R19E Pipeline Facility in Sec. 36 T9S R20E

Goat Pasture Evaporation Pond in SW/4 Sec. 16 T10S R22E

Bonanza Evaporation Pond in Sec. 2 T10S R23E

Or to one of the following Kerr-McGee active Salt Water Disposal (SWD) wells:

NBU 159 SWD in Sec. 35 T9S R21E CIGE 112D SWD in Sec. 19 T9S R21E CIGE 114 SWD in Sec. 34 T9S R21E NBU 921-34K SWD in Sec. 34 T9S R21E NBU 921-33F SWD in Sec. 34 T9S R21E MU 921-21L/ NBU 921-21E1CS/ NBU 921-21E4CS/ NBU 921-21L1CS Kerr-McGee Oil Gas Onshore, L.P.

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H. Ancillary Facilities:

No additional ancillary facilities are planned for this location.

I. Well Site Layout:

The location, orientation and aerial extent of each drill pad, reserve/completion/flare pit (for closed loop or non-closed loop operations), access road ingress/egress points, drilling rig, dikes/ditches, existing wells/infrastructure, proposed cuts and fills, and topsoil and spoil material stockpile locations are depicted on the exhibits for each project, where applicable. Site-specific conditions may require slight deviation in actual equipment depending on whether a closed loop system is used. Surface distance may be less if using closed loop. But in either case, the area of disturbance will not exceed the maximum disturbance outlined in the attached exhibits.

For the protection of livestock and wildlife, all open pits and cellars will be fenced to prevent wildlife or livestock entry. Total height of pit fencing will be at least 42 inches and corner posts will be cemented and/or braced in such a manner as to keep the fence tight at all times. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

Each well will utilize either a centralized tank battery, centralized fluids management system, or have tanks installed on its pad. Production/ Produced Liquid tanks will be constructed, maintained, and operated to prevent unauthorized surface or subsurface discharges of liquids and to prevent livestock or wildlife entry. The tanks will be kept reasonably free from surface accumulations of liquid hydrocarbons. The tanks are not to be used for disposal of liquids from additional sources without prior approval of BIA.

J. Plans for Surface Reclamation:

The surface reclamation will be undertaken in two phases: interim and final. Interim reclamation is conducted following well completion and extends through the period of production. Interim reclamation is for the area of the well pad that is not required for production activities. Final reclamation is conducted following well plugging/conversion and/or facility abandonment processes.

Reclamation activities in both phases may include but is not limited to the re-contouring or re-configuration of topographic surfaces, restoration of drainage systems, segregation of spoils materials, minimizing surface disturbance, re-evaluating backfill requirements, pit closure, topsoil redistribution, soil treatments, seeding and weed control.

Interim Reclamation

Interim reclamation may include pit evaporation, fluid removal, pit solidification, re-contouring, ripping, spreading top soil, seeding, and/or weed control. Interim reclamation will be performed in accordance with OSO 1, or written notification will be provided to the BIA for approval. Where feasible, drilling locations, reserve pits, or access routes not utilized for production operations will be re-contoured to a natural appearance.

Interim re-contouring involves bringing all construction material from cuts and fills back onto the well pad and site and reestablishing the natural contours where desirable and practical. Fill and stockpiled spoils no longer necessary to the operation will be spread on the cut slopes and covered with stockpiled topsoil. All stockpiled top soils will be used for interim reclamation where practical to maintain soil viability. Where possible, the land surface will be left "rough" after re-contouring to ensure that the maximum surface area will be available to support the reestablishment of vegetative cover.

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A reserve pit, upon being allowed to dry, will be backfilled and compacted with cover materials that are void of any topsoil, vegetation, large stones, rocks or foreign objects. Soils that are moisture laden, saturated, or partially/completely frozen will not be used for backfill or cover. The pit area will be mounded to allow for settling and to promote positive surface drainage away from the pit. Disposal of pit fluids and linings is discussed in Section G.

Final Reclamation

Final reclamation will be performed for unproductive wells and after the end of the life of a productive well. As soon as practical after the conclusion of drilling and testing operations, unproductive drill holes will be plugged and abandoned (P&A). Site and road reclamation will commence following plugging. In no case will reclamation at non-producing locations be initiated later than six (6) months from the date a well is plugged. A joint inspection of the disturbed area to be reclaimed may be requested by Kerr-McGee. The primary purpose of this inspection will be to review the existing conditions, or agree upon a revised final reclamation and abandonment plan. The BIA will be notified prior to commencement of reclamation operations. A Notice of Intent to Abandon will be filed for final recommendations regarding surface reclamation.

After plugging, all wellhead equipment that is no longer needed will be removed, and the well site will be reclaimed. Final contouring will blend with and follow as closely as practical the natural terrain and contours of the original site and surrounding areas. After re-contouring the site to the approximate contour that existed prior to pad construction, final grading will be conducted over the entire surface of the well site and access road. The area will be ripped to a depth of 18 to 24 inches on 18 to 24-inch centers, where practical. The surface soil material will be pitted with small depressions to form longitudinal depressions 12 to 18 inches deep, where practical. The entire area will be uniformly covered with the depressions constructed perpendicular to the natural flow of water.

Reclamation of roads will be performed at the discretion of the BIA/Tribe. All unnecessary surface equipment and structures (e.g. cattle guards) and water control structures (e.g. culverts, drainage pipes) not needed to facilitate successful reclamation will be removed during final reclamation. Roads that will be reclaimed will be ripped to a depth of 18 inches where practical, re-contoured to approximate the original contour of the ground and seeded in accordance with the seeding specifications as proposed below in "Measures Common to Interim and Final Reclamation".

Upon successfully completing reclamation of a P&A location, a Final Abandonment Notice will be submitted to the BIA/Tribe.

Measures Common to Interim and Final Reclamation

Soil preparation will be conducted using a disk for areas in need of more soil preparation following site preparation. This will provide primary soil tillage to a depth no greater than 6 inches. Prior to reseeding, compacted areas will be scarified by ripping or chiseling to loosen compacted soils, promote water infiltration, and improve soil aeration and root penetration.

Seeding will occur year-round as conditions allow and will typically be accomplished through the use of a no-till rangeland style seed drill with a "picker box" in order to seed "fluffy" seed. Where drill seeding is not the preferred method, seed will be broadcast and then raked into the ground at double the rate of drill seeding. Seed mixes appropriate to the native plant community as determined and specified for each project location based on the site specific soils will be used for

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re-vegetation. The seed mixes will be selected from a list provided by or approved by the BIA/Tribe or a specific seed mix will be proposed by Kerr-McGee to the BIA/Tribe and used after its approval. The selected specific seed mix for each well location and road segment will be utilized while performing interim and final reclamation for each project. All seed will be certified and tags will be maintained by Kerr-McGee. Every effort will be made to obtain "cheat grass free seed".

Seed Mix to be used for Well Site, Access Road, and Pipeline (as applicable):

Indian Ricegrass (Nezpar)	3
Sandberg Bluegrass	0.75
Bottlebrush Squirreltail	1
Great Basin Wildrye	0.5
Crested Wheatgrass	1.5
Winterfat	0.25
Shadscale	1.5
Four-wing Saltbrush	0.75
Forage Kochia	0.25
Total	9.5

Additional soil amendments and/or stabilization may be required on sites with poor soils and/or excessive erosion potential. Where severe erosion can become a problem and/or the use of machinery is not practical, seed will be hand broadcast and raked with twice the specified amount of seed. Slopes will be stabilized using materials specifically designed to prevent erosion on steep slopes and hold seed in place so vegetation can become permanently established. These materials will include, but are not limited to: erosion control blankets, hydro-mulch, and/or bonded fiber matrix at a rate to achieve a minimum of 80 percent soil coverage.

Weed Control

Noxious weeds will be controlled in akk orihect areas un accordance with all applicable rules and regulations.

K. Surface/Mineral Ownership:

Ute Indian Tribe
P.O. Box 70
Bureau of Land Management
988 South 7500 East Annex Building
Fort Duschesne, UT 84026
Vernal, UT 84078
(435) 722-4307
(435) 781-4400

L. Other Information:

Onsite Specifics:

No Changes

Cultural and Paleontological Resources

All personnel are strictly prohibited from collecting artifacts, any paleontological specimens or fossils, and from disturbing any significant cultural resources in the area. If artifacts, fossils, or any culturally sensitive materials are exposed or identified in the area of construction, all construction operations that would affect the newly discovered resource will cease, and Kerr-McGee will provide immediate notification to the BIA.

Resource Reports:

A Class I literature survey was completed on April 25, 2012 by Montgomery Archaeological Consultants, Inc (MOAC). For additional details please refer to report MOAC 12-102.

A paleontological reconnaissance survey was completed on April 10-16, 2012 by SWCA Environmental Consultants. For additional details please refer to report UT12-14314-114, UT12-14314-123 and UT12-14314-124.

Biological field survey was completed on April 10-13, 2012 by Grasslands Consulting, Inc (GCI). For additional details please refer to report GCI-749 and GCI-754.

Proposed Action Annual Emissions Tables:

Table 1: Proposed Action Annual Emissions (tons/year) ¹					
Pollutant	Development	Production	Total		
NOx	3.8	0.12	3.92		
CO	2.2	0.11	2.31		
VOC	0.1	4.9	5		
SO_2	0.005	0.0043	0.0093		
PM_{10}	1.7	0.11	1.81		
PM _{2.5}	0.4	0.025	0.425		
Benzene	2.2E-03	0.044	0.046		
Toluene	1.6E-03	0.103	0.105		
Ethylbenzene	3.4E-04	0.005	0.005		
Xylene	1.1E-03	0.076	0.077		
n-Hexane	1.7E-04	0.145	0.145		
Formaldehyde	1.3E-02	8.64E-05	1.31E-02		

¹ Emissions include 1 producing well and associated operations traffic during the year in

which the project is developed

Table 2: Proposed Action versus 2012 WRAP Phase III Emissions Inventory Comparison					
Species	Proposed Action Production Emissions (ton/yr)	WRAP Phase III 2012 Uintah Basin Emission Inventory ^a (ton/yr)	Percentage of Proposed Action to WRAP Phase III		
NOx	15.68	16,547	0.09%		
VOC	20	127,495	0.02%		

 $[^]a\ http://www.wrapair.org/forums/ogwg/PhaseIII_Inventory.html$

Uintah Basin Data

MU 921-21L/ NBU 921-21E1CS/ NBU 921-21E4CS/ NBU 921-21L1CS Kerr-McGee Oil Gas Onshore, L.P.

M. Lessee's or Operators' Representative & Certification:

Danielle Piernot Regulatory Analyst II Kerr-McGee Oil & Gas Onshore LP PO Box 173779 Denver, CO 80217-3779 (720) 929-6156 Tommy Thompson General Manager, Drilling Kerr-McGee Oil & Gas Onshore LP PO Box 173779 Denver, CO 80217-3779 (720) 929-6724

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Bureau of Land Management Nationwide Bond WYB000291.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that I have full knowledge of the State and Federal laws applicable to this operation; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

June 22, 2012

Date

Date

API Well Number: 43047536510000

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office P.O. Box 45155 Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

March 4, 2013

Memorandum

To: Assistant Field Office Manager Minerals,

Vernal Field Office

From: Michael Coulthard, Petroleum Engineer

Subject: 2013 Plan of Development Natural Buttes Unit

Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2013 within the Natural Buttes Unit, Uintah County, Utah.

API # WELL NAME LOCATION

(Proposed PZ WASATCH-MESA VERDE)

WELL PAD - NE	RTT 92	21-21G								
43-047-53634						R21E R21E				
43-047-53636	NBU	921-21H4CS				R21E R21E				
WELL PAD - NE	3U 92	21-21I								
43-047-53635	NBU	921-21I1BS				R21E R21E		-		
43-047-53637	NBU	921-21I4CS				R21E R21E		-		
43-047-53638	NBU	921-21I4BS				R21E R21E				
43-047-53639						R21E R21E				
WELL PAD - NE			~	0.1	m 0 0 0	D 0 1 D	1 0 0 0		1 600	
43-047-53642	NBU	921-21J1BS				R21E R21E				
43-047-53643	NBU	921-21G4CS				R21E R21E		_		
WELL PAD - NE	3U 92	21-21K								
43-047-53645	NBU	921-21K1BS				R21E R21E				

RECEIVED: March 05, 2013

API # WELL NAME LOCATION

(Proposed PZ WASATCH-MESA VERDE)

WE:	LL PAD - NI	RII 92	21-21K									
			921-21K1CS					R21E R21E				
43	-047-53649	NBU	921-21K4BS					R21E R21E				
	-047-53650			BHL				R21E R21E				
			921-21E1CS					R21E R21E				
43	-047-53652	NBU	921-21E4CS	BHL				R21E R21E				
			921-21L1CS					R21E R21E				
	LL PAD - NI -047-53659	-		BHL				R21E R21E				
43	-047-53660	NBU	921-21M1CS					R21E R21E				
43	-047-53661	NBU	921-21M4BS	BHL				R21E R21E				
			921-21M4CS					R21E R21E				
	LL PAD - NI -047-53663	-		BHL				R21E R21E				
43	-047-53664	NBU	921-21N1CS					R21E R21E				
43	-047-53665	NBU	921-21N4BS	BHL				R21E R21E				
	-047-53666 LL PAD - N I		921-21N4CS					R21E R21E				
		-	921-21J4CS	BHL				R21E R21E		_		
43	-047-53669	NBU	921-2101BS					R21E R21E				
43	-047-53670	NBU	921-2101CS					R21E R21E				
43	-047-53671	NBU	921-2104BS					R21E R21E				
	-047-53672 LL PAD - N I		921-2104CS	BHL	Sec Sec	21 21	T09S T09S	R21E R21E	0986 0085	FSL FSL	1483 1824	FEL FEL
			921-21P1BS					R21E R21E				
43	-047-53674	NBU	921-21P1CS	BHL	Sec Sec	21 21	T09S T09S	R21E R21E	0774 0913	FSL FSL	0485 0495	FEL FEL

Page 2

API Well Number: 43047536510000

API # WELL NAME LOCATION

(Proposed PZ WASATCH-MESA VERDE)

WELL PAD - NBU 921-21P

43-047-53675 NBU 921-21P4BS Sec 21 T09S R21E 0760 FSL 0499 FEL BHL Sec 21 T09S R21E 0581 FSL 0496 FEL

43-047-53676 NBU 921-21P4CS Sec 21 T09S R21E 0767 FSL 0492 FEL

BHL Sec. 21 T09S R21E 0251 FSL 0496 FEL

Michael L. Coulthard

Disciplified by Michael L. Coulthard
Disciplified by Michael L. Coulthard
Disciplified by Michael L. Coulthard, o=Bureau of Land Management,
ou=Branch of Minerals, email=Michael_Coulthard@blm.gov, c=US
Date: 2013.03.04 15:44:32-07:00'

Page 3

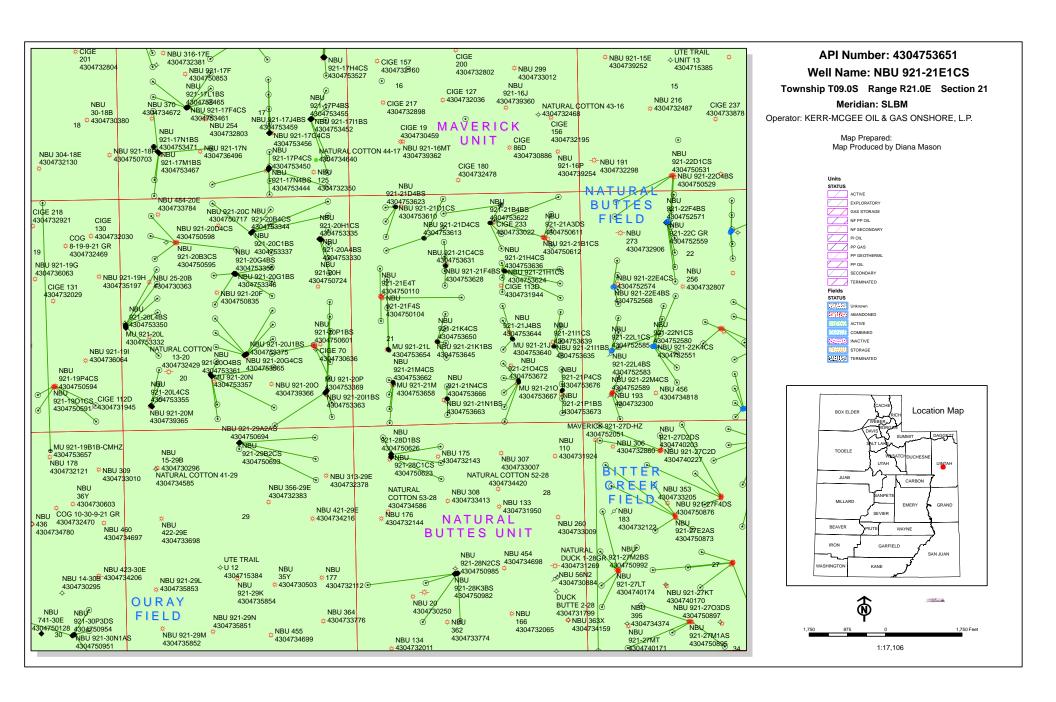
bcc: File - Natural Buttes Unit Division of Oil Gas and Mining

> Central Files Agr. Sec. Chron Fluid Chron

MCoulthard:mc:3-4-13

API	Well Name	Surface Location
43-047-53634	NBU 921-21H4BS	Sec 21 T09S R21E 1769 FNL 1739 FEL
43-047-53635	NBU 921-21I1BS	Sec 21 T09S R21E 1784 FSL 0675 FEL
43-047-53636	NBU 921-21H4CS	Sec 21 T09S R21E 1763 FNL 1758 FEL
43-047-53637	NBU 921-21I4CS	Sec 21 T09S R21E 1784 FSL 0645 FEL
43-047-53638	NBU 921-21I4BS	Sec 21 T09S R21E 1784 FSL 0655 FEL
43-047-53639	NBU 921-21I1CS	Sec 21 T09S R21E 1784 FSL 0665 FEL
43-047-53642	NBU 921-21J1BS	Sec 21 T09S R21E 1989 FSL 1622 FEL
43-047-53643	NBU 921-21G4CS	Sec 21 T09S R21E 1983 FSL 1614 FEL
43-047-53645	NBU 921-21K1BS	Sec 21 T09S R21E 1951 FSL 1947 FWL
43-047-53646	NBU 921-21K1CS	Sec 21 T09S R21E 1945 FSL 1955 FWL
43-047-53649	NBU 921-21K4BS	Sec 21 T09S R21E 1939 FSL 1963 FWL
43-047-53650	NBU 921-21K4CS	Sec 21 T09S R21E 1933 FSL 1971 FWL
43-047-53651	NBU 921-21E1CS	Sec 21 T09S R21E 1777 FSL 0837 FWL
43-047-53652	NBU 921-21E4CS	Sec 21 T09S R21E 1786 FSL 0831 FWL
43-047-53653	NBU 921-21L1CS	Sec 21 T09S R21E 1794 FSL 0825 FWL
43-047-53659	NBU 921-21M1BS	Sec 21 T09S R21E 1034 FSL 0925 FWL
43-047-53660	NBU 921-21M1CS	Sec 21 T09S R21E 1025 FSL 0927 FWL
43-047-53661	NBU 921-21M4BS	Sec 21 T09S R21E 1015 FSL 0930 FWL
43-047-53662	NBU 921-21M4CS	Sec 21 T09S R21E 1005 FSL 0932 FWL
43-047-53663	NBU 921-21N1BS	Sec 21 T09S R21E 0639 FSL 2146 FWL
43-047-53664	NBU 921-21N1CS	Sec 21 T09S R21E 0632 FSL 2154 FWL
43-047-53665	NBU 921-21N4BS	Sec 21 T09S R21E 0625 FSL 2161 FWL
43-047-53666	NBU 921-21N4CS	Sec 21 T09S R21E 0618 FSL 2168 FWL
43-047-53668	NBU 921-21J4CS	Sec 21 T09S R21E 1026 FSL 1489 FEL
43-047-53669	NBU 921-2101BS	Sec 21 T09S R21E 1016 FSL 1488 FEL
43-047-53670	NBU 921-2101CS	Sec 21 T09S R21E 1006 FSL 1486 FEL
43-047-53671	NBU 921-2104BS	Sec 21 T09S R21E 0996 FSL 1485 FEL
43-047-53672	NBU 921-2104CS	Sec 21 T09S R21E 0986 FSL 1483 FEL
43-047-53673	NBU 921-21P1BS	Sec 21 T09S R21E 0780 FSL 0477 FEL
43-047-53674	NBU 921-21P1CS	Sec 21 T09S R21E 0774 FSL 0485 FEL
43-047-53675	NBU 921-21P4BS	Sec 21 T09S R21E 0760 FSL 0499 FEL
43-047-53676	NBU 921-21P4CS	Sec 21 T09S R21E 0767 FSL 0492 FEL

1 of 1 3/4/2013



API Well Number: 43047536510000

WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 2/27/2013 API NO. ASSIGNED: 43047536510000

WELL NAME: NBU 921-21E1CS

OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P. (N2995) PHONE NUMBER: 720 929-6156

CONTACT: Danielle Piernot

PROPOSED LOCATION: NWSW 21 090S 210E Permit Tech Review:

> SURFACE: 1777 FSL 0837 FWL **Engineering Review:**

> BOTTOM: 1902 FNL 0826 FWL Geology Review:

COUNTY: UINTAH

LATITUDE: 40.01910 LONGITUDE: -109.56315 UTM SURF EASTINGS: 622618.00 NORTHINGS: 4430866.00

FIELD NAME: NATURAL BUTTES LEASE TYPE: 1 - Federal

PROPOSED PRODUCING FORMATION(S): WASATCH-MESA VERDE **LEASE NUMBER: UTU**0576

SURFACE OWNER: 2 - Indian **COALBED METHANE: NO**

RECEIVED AND/OR REVIEWED: LOCATION AND SITING:

✓ PLAT R649-2-3.

Unit: NATURAL BUTTES Bond: FEDERAL - WYB000291

Potash R649-3-2. General

Oil Shale 190-5

Oil Shale 190-3 R649-3-3. Exception

Oil Shale 190-13 **Drilling Unit**

Board Cause No: Cause 173-14 Water Permit: 43-8496

Effective Date: 12/2/1999 **RDCC Review:**

Siting: Suspends General Siting **Fee Surface Agreement**

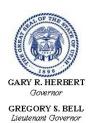
✓ Intent to Commingle R649-3-11. Directional Drill

Commingling Approved

Comments: Presite Completed

Stipulations:

3 - Commingling - ddoucet 4 - Federal Approval - dmason 15 - Directional - dmason 17 - Oil Shale 190-5(b) - dmason



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: NBU 921-21E1CS **API Well Number:** 43047536510000

Lease Number: UTU0576 Surface Owner: INDIAN Approval Date: 3/20/2013

Issued to:

KERR-MCGEE OIL & GAS ONSHORE, L.P., P.O. Box 173779, Denver, CO 80217

Authority:

Pursuant to Utah Code Ann. 40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of Cause 173-14. The expected producing formation or pool is the WASATCH-MESA VERDE Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

Commingle:

In accordance with Board Cause No. 173-14, commingling of the production from the Wasatch formation and the Mesaverde formation in this well is allowed.

General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

In accordance with the Order in Cause No. 190-5(b) dated October 28, 1982, the operator shall comply with the requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operators shall ensure that the surface and or production casing is properly cemented over the entire oil

shale section as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the division.

Notification Requirements:

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

• Within 24 hours following the spudding of the well - contact Carol Daniels at 801-538-5284

(please leave a voicemail message if not available)

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website

at http://oilgas.ogm.utah.gov

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) due within 5 days of spudding the well
- Monthly Status Report (Form 9) due by 5th day of the following calendar month
 - Requests to Change Plans (Form 9) due prior to implementation
 - Written Notice of Emergency Changes (Form 9) due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) due prior to implementation
 - Report of Water Encountered (Form 7) due within 30 days after completion
- Well Completion Report (Form 8) due within 30 days after completion or plugging

Approved By:

For John Rogers Associate Director, Oil & Gas Sundry Number: 47678 API Well Number: 43047536510000

	STATE OF UTAH		FORM 9
	DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MININ		5.LEASE DESIGNATION AND SERIAL NUMBER: UTU0576
SUNDF	RY NOTICES AND REPORTS O	N WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE
	oposals to drill new wells, significantly de reenter plugged wells, or to drill horizont n for such proposals.		7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: NBU 921-21E1CS
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ON	NSHORE, L.P.		9. API NUMBER: 43047536510000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18t	h Street, Suite 600, Denver, CO, 80217 3	HONE NUMBER: 720 929-6	9. FIELD and POOL or WILDCAT: 1NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1777 FSL 0837 FWL			COUNTY: UINTAH
QTR/QTR, SECTION, TOWNS	HIP, RANGE, MERIDIAN: 21 Township: 09.0S Range: 21.0E Meridia	an: S	STATE: UTAH
11. CHEC	K APPROPRIATE BOXES TO INDICATE	NATURE OF NOTICE, REPOR	RT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
Kerr-McGee Oil & G an extension to this	CHANGE TO PREVIOUS PLANS CHANGE WELL STATUS DEEPEN OPERATOR CHANGE PRODUCTION START OR RESUME REPERFORATE CURRENT FORMATION TUBING REPAIR WATER SHUTOFF WILDCAT WELL DETERMINATION COMPLETED OPERATIONS. Clearly show all Gas Onshore, L.P. (Kerr-McGee APD for the maximum time all with any questions and/or cor	e) respectfully requests lowed. Please contact	CASING REPAIR CHANGE WELL NAME CONVERT WELL TYPE NEW CONSTRUCTION PLUG BACK RECOMPLETE DIFFERENT FORMATION TEMPORARY ABANDON WATER DISPOSAL ✓ APD EXTENSION OTHER: Depths, volumes, etc. Approved by the Utah Division of Oil, Gas and Mining Date: February 12, 2014 By:
NAME (DI EASE DOINT)	DUONE NUMBER) TITLE	
NAME (PLEASE PRINT) Teena Paulo	PHONE NUMBER 720 929-6236	Staff Regulatory Specialist	
SIGNATURE N/A		DATE 2/7/2014	

Sundry Number: 47678 API Well Number: 43047536510000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047536510000

API: 43047536510000 Well Name: NBU 921-21E1CS

Location: 1777 FSL 0837 FWL QTR NWSW SEC 21 TWNP 090S RNG 210E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 3/20/2013

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

owing i	s a checklist of some items ie	lated to the application, which should be verified.
	eated on private land, has the	ownership changed, if so, has the surface agreement been updated? 🔘
	e any wells been drilled in the irements for this location?	vicinity of the proposed well which would affect the spacing or siting Yes No
	there been any unit or other a osed well? 🔘 Yes 🍺 No	greements put in place that could affect the permitting or operation of thi
	e there been any changes to thosed location? (a) Yes	ne access route including ownership, or rightof- way, which could affect the
• Has	the approved source of water	for drilling changed? 🤵 Yes 📵 No
		nges to the surface location or access route which will require a change in the onsite evaluation? (Yes (No
• Is bo	ending still in place, which cov	vers this proposed well? 🌘 Yes 🔘 No
nature:	Teena Paulo	Date: 2/7/2014

Sig

Title: Staff Regulatory Specialist Representing: KERR-MCGEE OIL & GAS ONSHORE, L.P.

UNITED STATES APD PMT RCVD
DEPARTMENT OF THE INTERIOR

FORM APPROVED OMB No. 1004-0136 Expires July 31, 2010

BL	Μ.	Vernal	OF LAND MANAGEM	21	2012

APPLICATION FOR PERMIT TO DRILL OR REENTER.

5. Lease Serial No. UTU0576

6. If Indian, Allottee or Tribe Name

	BIM - VEU	· ·			
1a. Type of Work: DRILL REENTER		7. If Unit or CA Agreement, UTU63047A	Name and No.		
1b. Type of Well:	ner Single Zone Multiple Zone	8. Lease Name and Well No. NBU 921-21E1CS	, , , , , , , , , , , , , , , , , , , ,		
2. Name of Operator Contact: KERR MCGEE OIL&GAS ONSHOREMAIPDanielle	DANIELLE PIERNOT Piernot@anadarko.com	9. API Well No. 43 047 53	45/		
3a. Address PO BOX 173779 DENVER, CO 80202-3779	3b. Phone No. (include area code) Ph: 720-929-6156 Fx: 720-929-7156	10. Field and Pool, or Explor NATURAL BUTTES	atory		
4. Location of Well (Report location clearly and in accorda	nce with any State requirements.*)	11. Sec., T., R., M., or Blk. a	nd Survey or Area		
At surface NWSW 1777FSL 837FWL	40.019184 N Lat, 109.563171 W Lon	Sec 21 T9S R21E Me	er SLB		
At proposed prod. zone SWNW 1902FNL 826FWL	40.023613 N Lat, 109.563215 W Lon	:			
 Distance in miles and direction from nearest town or post of APPROXIMATELY 48 MILES SOUTH OF VERM 		12. County or Parish UINTAH COUNTY	13. State UT		
 Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 826' 	16. No. of Acres in Lease 1480.00	17. Spacing Unit dedicated to	this well		
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. on i	ĭle		
290'	11600 MD 11283 TVD	WYB000291			
21. Elevations (Show whether DF, KB, RT, GL, etc. 4848 GL	22. Approximate date work will start 12/30/2012	23. Estimated duration 60-90 DAY	/En		
	24. Attachments	NOV 05 2	~ <i>U</i>		
The following, completed in accordance with the requirements of	f Onshore Oil and Gas Order No. 1, shall be attached to t	his form	014		
24. Attachments NOV 05 2014 The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form OF					
25. Signature (Electronic Submission)	Name (Printed/Typed) DANIELLE PIERNOT Ph: 720-929-6156	3	Date 06/25/2012		

Title

Approved by (Signature

REGULATORY ANALYST II

Title ssistant Field Manager ands & Mineral Resources Name (Printed/Typed)

Office

Jerry Kenczka

OCT 2'7 2014

VERNAL FIELD OFFICE

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

CONDITIONS OF APPROVAL ATTACHED

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #141349 verified by the BLM Well Information System For KERR MCGEE OIL&GAS ONSHORE, LP, sent to the Vernal

NOTICE OF APPROVAL



OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **



UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT VERNAL FIELD OFFICE** 170 South 500 East

VERNAL. UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Well No: API No:

KERR MCGEE OIL & GAS ONSHORE LP

NBU 921-21E1CS

43-047-53651

Location: Lease No: **NWSW SEC 21 T09S R21E**

UTU0576 UTU63047A Agreement:

OFFICE NUMBER:

(435) 781-4400

OFFICE FAX NUMBER:

(435) 781-3420

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings to: blm_ut_vn_opreport@blm.gov
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

Page 2 of 8 Well: NBU 921-21E1CS

10/10/2014

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

- 1. Paint facilities "Shadow Gray."
- 2. Conduct a raptor survey prior to construction operations if such activities would take place during raptor nesting season (January 1 through September 30). If active raptor nests are identified during the survey, operations should be conducted according to the seasonal restrictions detailed in the Uinta Basin-specific RMP guidelines and spatial offsets specified by the USFWS Utah Raptor Guidelines.
- 3. If construction operations are not initiated prior to April 11, 2013, an additional biological survey for Uinta Basin hookless cactus should be conducted prior to construction according to current USFWS protocol.
- 4. Monitor construction operations with a permitted archaeologist.
- 5. Monitor access road, well pad, and pipeline construction with a permitted paleontologist.
- 6. Construct diversion ditch on east side of well pad.

Generic COAs for all locations within the Greater Natural Buttes EIS (MAY 2012)

- All new and replacement internal combustion gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 gms of NO_x per horsepower-hour.
 This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All new and replacement internal combustion gas field engines of greater than 300 designrated horsepower must not emit more than 1.0 gms of NO_x per horsepower-hour.
- A Class III archeological survey has been conducted on all federal and/or Indian Trust lands in the GNBPA. All personnel will refrain from collecting artifacts and from disturbing any significant cultural resources in the area. KMG will be responsible for informing all persons in the area who are associated with this Project that they may be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. All vehicular traffic, personnel movement, construction, and restoration activities will be confined to the areas examined, as referenced in the archaeological report, and to the existing roadways and/or evaluated access routes. If historic or archaeological materials were to be uncovered during construction, KMG will immediately stop surface disturbing activities that might further disturb such materials and contact the appropriate Authorized Officer (AO).
- If blasting operations are scheduled to occur within 2 miles of an active gilsonite mine, the
 mine operator will be notified at least 48 hours prior to blasting to coordinate activities for
 mine worker safety.

Page 3 of 8 Well: NBU 921-21E1CS 10/10/2014

• KMG will conduct a paleontological survey on all of its federal locations. All personnel will refrain from collecting fossils and from disturbing any significant fossil in the GNBPA.

- If paleontological materials were to be uncovered during construction, KMG will immediately stop construction and contact the appropriate AO. A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontological material before construction can continue.
- Damage to livestock and livestock facilities will be reported as quickly as possible to the BLM and affected livestock operators. Operators will develop and employ prevention measures to avoid damaging fences, gates, and cattleguards, including upgrading cattleguard gate widths and load-bearing requirements and fencing all open pits and cellars.
- If partial or complete removal of a fence cannot be avoided, the fence will be braced and tied off per the BLM guidance. Where the fence is crossed by a road, the fence will be braced and a cattleguard and gate installed per BLM guidance.
- Speed limits will be followed and signs will be erected in lambing/calving areas, shipping pastures, or adjacent to working corrals to warn vehicle operators. (April 1 to June 1)
- In accordance with the procedures described in its Pesticide/ Herbicide Use Plan, KMG will
 monitor for the growth of invasive species resulting from surface disturbance caused by
 Project activities and will control weeds caused by Project activities.
- KMG will use its best efforts to control noxious weeds along access road authorizations, pipeline route authorizations, well sites, or other proposed facilities by spraying or mechanical removal. A list of noxious weeds will be obtained from the BLM or the appropriate County Extension Office. On BLM-administered land, a Pesticide Use Proposal will be submitted and approved prior to the application of herbicides or other pesticides or possibly hazardous chemicals.
- KMG will conduct pre-disturbance weed inventories to identify locations of noxious and invasive weed species.
- A 1- or 2-year rest period or mechanical control will be required prior to reseeding on areas treated with herbicide spraying.
- An integrated weed management plan will be developed, and include the following components:
 - Surveying for special status plant species before treating an area,
 - Considering effects to special status species when designing herbicide treatment programs,
 - Using drift reduction agents to reduce the risk of drift hazard, and

Page 4 of 8 Well: NBU 921-21E1CS 10/10/2014

 Using selective herbicide and a wick to backpack sprayer to minimize risks to special plants.

- Dirt ramps will be built and maintained at an angle not to exceed 45 degrees every 150 to 200 feet along open pipeline trenches to reduce habitat fragmentation and increase accessibility of small animals (mammals, reptiles, amphibians) to adjacent habitats.
- On level or gently sloping ground (5 percent slope or less), surface pipelines (4 inches or
 greater in diameter) will be elevated a minimum of 6 inches above the ground to allow
 passage of small animals beneath the pipe. This ground clearance will be achieved by
 placing the pipeline on blocks at intervals of 150 or 200 feet or as appropriate.
- Bird Exclusion netting will be installed over reserve pits containing water that are left open for more than 30 days to reduce possibility of exposure to hazardous chemicals.
- KMG will install bird-excluding devices that prevent the perching and entry of migratory birds on or into its new fired vessel exhaust stacks.

Page 5 of 8 Well: NBU 921-21E1CS

10/10/2014

DOWNHOLE PROGRAM CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- 1. Gamma Ray Log shall be run from total Depth to Surface.
- 2. CBL will be run from TD to TOC.
- 3. Cement for the surface casing will be circulated to the surface.

Variances Granted:

Air Drilling, All variances approved as written in APD

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and <u>NOT</u> by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- Cement baskets shall not be run on surface casing.
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is
 encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal
 Field Office.

Page 6 of 8 Well: NBU 921-21E1CS

10/10/2014

• The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM,
 Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the <u>top of cement</u> and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- Please submit an electronic copy of all other logs run on this well in CD (compact disc) format to the Vernal BLM Field Office. This submission will supersede the requirement for submittal of paper logs to the BLM.
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- For information regarding production reporting, contact the Office of Natural Resources Revenue (ONRR) at www.ONRR.gov.
- Should the well be successfully completed for production, the BLM Vernal Field office must be
 notified when it is placed in a producing status. Such notification will be by written communication
 and must be received in this office by not later than the fifth business day following the date on
 which the well is placed on production. The notification shall provide, as a minimum, the following
 informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).

Page 7 of 8 Well: NBU 921-21E1CS

10/10/2014

o The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).

- o The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
- o Unit agreement and/or participating area name and number, if applicable.
- o Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office
 Petroleum Engineers will be provided with a date and time for the initial meter calibration and all
 future meter proving schedules. A copy of the meter calibration reports shall be submitted to the
 BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid
 hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall
 be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to
 the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first.
 All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All
 product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in
 accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering
 lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a
 suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be
 obtained orally, but such approval does not waive the written report requirement.

Page 8 of 8 Well: NBU 921-21E1CS 10/10/2014

No location shall be constructed or moved, no well shall be plugged, and no drilling or workover
equipment shall be removed from a well to be placed in a suspended status without prior approval
of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior
approval of the BLM Vernal Field Office shall be obtained and notification given before resumption
of operations.

- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

Sundry Number: 60638 API Well Number: 43047536510000

	STATE OF UTAH		FORM 9		
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING			5.LEASE DESIGNATION AND SERIAL NUMBER: UTU0576		
SUNDF	RY NOTICES AND REPORTS	ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE		
	oposals to drill new wells, significantly reenter plugged wells, or to drill horizo n for such proposals.		7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES		
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: NBU 921-21E1CS		
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ON	NSHORE, L.P.		9. API NUMBER: 43047536510000		
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18t	h Street, Suite 600, Denver, CO, 80217	PHONE NUMBER: 73779 720 929-	9. FIELD and POOL or WILDCAT: 1NATURAL BUTTES		
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1777 FSL 0837 FWL			COUNTY: UINTAH		
QTR/QTR, SECTION, TOWNS	HIP, RANGE, MERIDIAN: 21 Township: 09.0S Range: 21.0E Meri	dian: S	STATE: UTAH		
11. CHEC	K APPROPRIATE BOXES TO INDICA	TE NATURE OF NOTICE, REPOR	RT, OR OTHER DATA		
TYPE OF SUBMISSION		TYPE OF ACTION			
7	ACIDIZE	ALTER CASING	CASING REPAIR		
Approximate date work will start:	CHANGE TO PREVIOUS PLANS	CHANGE TUBING	CHANGE WELL NAME		
2/6/2015	CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE		
SUBSEQUENT REPORT	DEEPEN	FRACTURE TREAT	☐ NEW CONSTRUCTION		
Date of Work Completion:	OPERATOR CHANGE	PLUG AND ABANDON	PLUG BACK		
	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION		
SPUD REPORT Date of Spud:	REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	TEMPORARY ABANDON		
	TUBING REPAIR	VENT OR FLARE	WATER DISPOSAL		
DRILLING REPORT	WATER SHUTOFF	SI TA STATUS EXTENSION	✓ APD EXTENSION		
Report Date:	WILDCAT WELL DETERMINATION	OTHER	OTHER:		
42 DESCRIPE PROPOSED OR		all portinent details including detac	double valumes at		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Kerr-McGee Oil & Gas Onshore L.P. respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you. Approved by the Utebr Davis 09, 2015 Oil, Gas and Mining					
			Date:		
			By: Laggill		
NAME (PLEASE PRINT) Joel Malefyt	PHONE NUMB 720 929-6828	ER TITLE Regualtory Analyst			
SIGNATURE	120 929-0020	DATE			
N/A		2/6/2015			

Sundry Number: 60638 API Well Number: 43047536510000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047536510000

API: 43047536510000 Well Name: NBU 921-21E1CS

Location: 1777 FSL 0837 FWL QTR NWSW SEC 21 TWNP 090S RNG 210E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 3/20/2013

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

owing is a checklist of some items related to the application, which should be verified.
• If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
 Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
 Has there been any unit or other agreements put in place that could affect the permitting or operation of thi proposed well? Yes No
• Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? (Yes (No
• Has the approved source of water for drilling changed? 🔘 Yes 🍺 No
• Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
• Is bonding still in place, which covers this proposed well? Yes No
nature: Joel Malefyt Date: 2/6/2015

Sig

Title: Regualtory Analyst Representing: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Sundry Number: 70034 API Well Number: 43047536510000

	STATE OF UTAH		FORM 9		
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING			5.LEASE DESIGNATION AND SERIAL NUMBER: UTU0576		
SUNDRY NOTICES AND REPORTS ON WELLS			6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE		
	posals to drill new wells, significantly de reenter plugged wells, or to drill horizonta n for such proposals.		7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES		
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: NBU 921-21E1CS		
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ON	ISHORE, L.P.		9. API NUMBER: 43047536510000		
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th	P n Street, Suite 600, Denver, CO, 80217 3	HONE NUMBER: 779 720 929-6	9. FIELD and POOL or WILDCAT: 5NATURAL BUTTES		
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1777 FSL 0837 FWL			COUNTY: UINTAH		
QTR/QTR, SECTION, TOWNSH	<mark>IIP, RANGE, MERIDIAN:</mark> 21 Township: 09.0S Range: 21.0E Meridia	nn: S	STATE: UTAH		
11. CHEC	K APPROPRIATE BOXES TO INDICATE	NATURE OF NOTICE, REPOR	RT, OR OTHER DATA		
TYPE OF SUBMISSION		TYPE OF ACTION			
7	ACIDIZE	ALTER CASING	CASING REPAIR		
NOTICE OF INTENT Approximate date work will start:	CHANGE TO PREVIOUS PLANS	CHANGE TUBING	CHANGE WELL NAME		
2/25/2016	CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE		
SUBSEQUENT REPORT Date of Work Completion:	DEEPEN	FRACTURE TREAT	☐ NEW CONSTRUCTION		
Date of Work Completion.	OPERATOR CHANGE	PLUG AND ABANDON	PLUG BACK		
	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION		
SPUD REPORT Date of Spud:	REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	TEMPORARY ABANDON		
	TUBING REPAIR	VENT OR FLARE	WATER DISPOSAL		
DRILLING REPORT Report Date:	WATER SHUTOFF	SI TA STATUS EXTENSION	✓ APD EXTENSION		
Report Date:	WILDCAT WELL DETERMINATION	OTHER	OTHER:		
Kerr-McGee Oil & G an extension to this	completed operations. Clearly show all as Onshore, L.P. (Kerr-McGee APD for the maximum time al with any questions and/or cor	e) respectfully requests lowed. Please contact	Approved by the Utebr Davis 29, 2016 Oil, Gas and Mining Date: By:		
NAME (PLEASE PRINT) Jennifer Thomas	PHONE NUMBER 720 929-6808	TITLE Regulatory Specialist			
SIGNATURE N/A		DATE 2/25/2016			

Sundry Number: 70034 API Well Number: 43047536510000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047536510000

API: 43047536510000 **Well Name:** NBU 921-21E1CS

Location: 1777 FSL 0837 FWL QTR NWSW SEC 21 TWNP 090S RNG 210E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 3/20/2013

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

	como nomo roma approanton, mitori onoma ao roma.
 If located on private Yes No 	e land, has the ownership changed, if so, has the surface agreement been updated? 🔵
	en drilled in the vicinity of the proposed well which would affect the spacing or siting is location? (Yes (No
 Has there been an proposed well? 	vunit or other agreements put in place that could affect the permitting or operation of this Yes 📵 No
	y changes to the access route including ownership, or rightof- way, which could affect the Yes No
• Has the approved	source of water for drilling changed? 🔘 Yes 📵 No
	y physical changes to the surface location or access route which will require a change in as discussed at the onsite evaluation? 🔘 Yes 📵 No
• Is bonding still in	elace, which covers this proposed well? 🌘 Yes 🔘 No
Signature: Jennifer Thom	as Date : 2/25/2016

Title: Regulatory Specialist Representing: KERR-MCGEE OIL & GAS ONSHORE, L.P.

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

			WELLS '
Do not use this	s form for propo	sals to drill or t	o re-enter an

5. Lease Serial No. UTU0576

abandoned we	II. Use form 3160-3 (API	D) for such proposals	19 2016	6. If Indian, Allottee	or Tribe Name	
SUBMIT IN TR	IPLICATE - Other instruc	tions on reverse side. BLM VE	RNAL UTAF		ement, Name and/or No.	
1. Type of Well				8. Well Name and No. NBU 921-21E1CS		
Oil Well Gas Well Ot 2. Name of Operator		JOEL MALEFYT		9. API Well No.		
KERR MCGEE OIL & GAS O	NSHOREE-Mail: JOEL.MAL	EFYT@ANADARKO.COM	KO.COM 43-047-53651			
3a. Address 3b. F 1368 SOUTH1200 EAST Ph: VERNAL, UT 84078		3b. Phone No. (include area of Ph. 720-929 128 128 128 128 128 128 128 128 128 128	RECEIVED		10. Field and Pool, or Exploratory GREATER NATURAL BUTTES	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)		JAN 17 2	017	11. County or Parish, and State		
Sec 21 T9S R21E Mer SLB N 40.019184 N Lat, 109.563171		DIV. OF OIL, GAS	ļ	UINTAH COUN	ITY, UT	
12. CHECK APP	ROPRIATE BOX(ES) TO	INDICATE NATURE O		PORT, OR OTHE	R DATA	
TYPE OF SUBMISSION		ТҮРЕ	OF ACTION			
■ Notice of Intent	☐ Acidize	Deepen	☐ Productio	n (Start/Resume)	☐ Water Shut-Off	
Notice of Intent	☐ Alter Casing	☐ Fracture Treat	□ Reclamat	ion	■ Well Integrity	
☐ Subsequent Report	□ Casing Repair	■ New Construction	☐ Recomple	ete	Other	
☐ Final Abandonment Notice	☐ Change Plans	□ Plug and Abandon	☐ Temporar	ily Abandon	Change to Original A PD	
	☐ Convert to Injection	Plug Back	☐ Water Dis	sposal		
Kerr-McGee Oil & Gas Onshot extension to this APD for the undersigned with any question Effective 10. Nepa expires ONDITIONS OF APPROVAL	maximum time allowed. Pl ns and/or comments. Than 27 14 ->10 26 0 6 9	ease contact the nk you.		1 ^	80	
_	proval			PET.	£	
14. I hereby certify that the foregoing is	true and correct.	55285 verified by the BLM V	Vell information S	PECL		
•	For KERR MCGE Committed to AFMSS for	E OIL & GAS ONSHORE, se processing by C. BETH HA	nt to the Vernal MANN on 10/20/2	3016 ()		
Name (Printed/Typed) JOEL MA			JLATORY ANAI			
Signature (Electronic S	Submission)	Date 10/19	/2016			
	THIS SPACE FO	R FEDERAL OR STAT	E OFFICE US	.		
Approved By			nistant Field N Is & Mineral F		DEC. 2 3 2016	
Conditions of approval and are attache certify that the applicant holds legal or equivalent would entitle the applicant to condu	litable title to those rights in the	1	NAL FIELD			

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

##SUBMITTED ** OPERATOR-** OPERATOR-SUBMITTED *

CONDITIONS OF APPROVAL

Kerr McGee Oil and Gas Onshore

Notice of Intent APD Extension

Lease:

UTU-0576

Well:

NBU 921-21E1CS (API: 43-047-53651)

Location:

NWSW Sec 21 T-9S R-21E

An extension for the referenced APD is granted with the following conditions:

- 1. The extension and APD shall expire on 10/26/2018.
- 2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Rachel Knell of this office at (435) 781-4419.